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Employer Branding for SMEs: Attracting Graduating Students in IT Industry

Thesis

Kajaani University of Applied Sciences

Heilbronn University of Applied Sciences

School of Business

Degree Program in Business Management

November 15th 2013



School Kajaani University of Applied Sciences, Finland Heilbronn University of Applied Sciences, Germany	Degree Programme International Business Major in Human Resource
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Title Employer Branding for SMEs: Attracting Graduating Students in IT Industry	
Optional Professional Studies	Supervisor(s) Ruey Komulainen Prof. Dr. Ralf Bochart
	Commissioned by
Date 15.11.2013	Total Number of Pages and Appendices 51 + 20
<p>Employer Branding has been an emerging topic in HRM for no longer than two decades. The concept of Employer Branding is usually stuck to large companies or MNCs. In addition, in-depth researches on whether Employer Branding could also work for SMEs are very limited. Thus, focusing on the perspectives of graduating students, the prospective employees of SMEs, this research takes place to study the role of Employer Branding in SMEs, especially IT SMEs in Finland.</p> <p>In laying the theory background for the research, the theoretical framework demonstrated the relationship between the concepts of Marketing and HRM and how they are connected within Employer Branding. The understanding of Employer Branding theory provides the scheme for the whole research. Based on the theoretical part, research questions are then built and research is conducted in order to achieve the eventual objective: exploring the role of Employer Branding of IT SMEs in Finland.</p> <p>The research method of quantitative is utilised in this research. The analysis of empirical findings collected from the close-ended questionnaire provides thorough understanding of the students' perception towards Employer Branding, the impact of Employer Branding on their decisions to work for a SME, the sources of Employer Branding they perceive and their career orientation.</p>	
Language of Thesis English	
Keywords	IT SMEs, Employer Branding, graduating students
Deposited at	<input checked="" type="checkbox"/> Electronic library Theseus <input checked="" type="checkbox"/> Kajaani University of Applied Sciences Library

PREFACE

First of all, I would like to express my deep appreciation for my supervisor, Ruey Komulainen, who has always motivated me to always take another step further during the past three and a half years. Your words truly lift me up whenever I got stuck. Thank you for being my mentor and my friend during the tough time.

I also appreciate Professor Bochert, my second supervisor from Heilbronn University for your support during my study in Germany as well as your supervision in my thesis.

I would like to thank my statistics teacher, Simo Määttä. Your help was tremendous for a student like me, who always finds that dealing with numbers is very challenging. My sincerest thanks also goes to all teachers and staff of our university, who always dedicate their great efforts for the progress of students.

To my family members, whom I never find easy to express my gratitude or give my thanks, I always feel brave when encountering challenges, because I know that your unconditional support will never let me fall.

Finally, thank you all my friends for always having my back. I guess it would be really boring for me not having someone to tease. Last of all, thank you Jamie, my soul mate, for having been by my side.

There is a quote from Winston Churchill that shines up my way for years. The quote goes: “If you are going through hell, keep going”. Today, I could proudly remind myself that I just overcame one.

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1 INTRODUCTION

1.1 Background and Problem Statement

The recent years in Finland have seen a talent war for labour due to the challenges of aging population and shortage of talents in dynamic industries, especially IT. Employer branding, thus, has been an emerging topic that draws particular attention from big corporations in Finland as an ideal solution for talent shortage. As a result, there are various researches on this topic for large companies.

However, there are few studies showing a clear relationship between SMEs and Employer Branding. Questions such as “Would employer branding work for SMEs?” or “Would employer branding be a concern for SMEs?” have been raised, yet the answers for them are still limited. A notable research in this field is a master’s thesis from Aalto University, in which the author, Simonen Aleksi studies the position of Employer Branding in Large Finnish Companies. It was an exploratory research as the study of Employer Branding is still limited up to this point.

This study aims at exploring the connection between Employer Branding and SMEs, specifically Finnish SMEs in IT industry. The foundation of the study would mainly be based on the fields of Corporate Brand, Resource-Based View and the topics of Recruitment and Selection process of Human Resource Management.

1.2 Research Objective and Questions

Based on the background of business environment in IT industry, especially Software and Games development in Finland and the theoretical framework of Employer Branding, this research aims at studying the role of Employer Branding in SMEs in IT industry in Finland. The objective of the research is achieved through finding the answers for the following main questions:

- **RQ₁:** What is the impact of Employer Branding on students’ decision to work for a SME?
- **RQ₂:** What attract the graduating students when they look for a job?
- **RQ₃:** From which source do the students build their employer brand perception?

- **RQ₄:** What is the career orientation of the student after graduating?

1.3 Scope of the study

Within the scope of this study, the Business and IT students currently studying at Kajaani University of Applied Sciences are considered as the main targets of research. According to the definition of the European Commission, the term SME is comprised of three types of companies based on their size and turnover. Medium-sized companies are those employing less than 250 people and having the turnover of less than EUR 50 million. Small-sized companies employ less than 50 people and have the turnover of less than EUR 10 million. Micro-sized companies, which are the majority of all types, employ less than 10 people and have the turnover of less than EUR 2 million. The scope of this study only concentrates on Small and Micro companies. Thus, the term ‘SME’ is henceforth referred to as Small- and Micro-sized companies that are currently operating in the IT industry. The detailed information of definition of SMEs is further discussed in Chapter 3.

The main goal of the study is to explore the role of Employer Branding in Finnish SMEs in IT industry. The general scope of employer branding is very broad including internal qualities of companies as well as the external qualities and business environment. Thus, understanding the expectations of potential employees is a crucial step to successful employer branding. Therefore, the research will look thoroughly at the expectations of potential employees, such as Business and IT students, of IT SMEs in Finland.

1.4 Structure of the Study

Chapter 2 provides fundamental definitions and discusses key concepts of the research which are Brand, Branding, Brand Equity, Corporate Brand and how they are related to Employer Branding. Then, the concepts of Human Resource Management and Strategic Human Resource Management are explained and then proceeding to the theory of Resourced-Based View and discusses the view from the perspective of SHRM.

In Chapter 3, the study provides fundamental aspects of business environment in Finland and the IT industry here. The discussed elements and conditions of Finnish business environment would formulate the understanding of the background in which Finnish IT SMEs are operating.

Chapter 4 briefly explains how the theories are connected and illustrates the connection between the theoretical framework, research questions, hypotheses and survey questions.

Chapter 5 discusses the methodology of the study to research the expectations of the students and, thus, study the role of Employer Branding in IT SMEs in Finland. The process of justifying research method, data collection procedure, data analysis and validity and reliability of the research are discussed within this chapter.

Chapter 6 presents the empirical findings of the research collected from the questionnaire. The data analysis process is then facilitated by utilising various forms of statistics.

Chapter 7 concentrates on the discussion of statistical data from the previous chapter and aims at answering the research questions.

In the end, chapter 8 delivers the conclusion of the research and provides limitation of the current study as well as suggestions for future research.

2 EMPLOYER BRANDING AS AN INTERSECTION OF MARKETING AND HUMAN RESOURCE MANAGEMENT

2.1 Marketing

2.1.1 Brand, Branding and Brand Equity

The understanding of Employer Branding, the main topic of this research, requires in-depth understanding of the subjects of brand, branding and brand equity. As the study progressed, the relationships of those fundamental subjects will be further discussed.

According to American Marketing Association (Aurand et al. 2005) and Keller (2008), a brand is a consequence of creating a new name, logo, symbol, design or a combination of them for a new product. A brand is structured by brand attributes, which differentiate one brand from another brand. The establishment of a brand would generate the values of awareness, reputation and prominence in the marketplace. The objective of those elements is to identify the goods and services and to distinguish them from the competitors. Aaker (1991) further points out that a brand would protect the product from being identically produced by the competitors.

Wheeler (2013), however, defines brand in a more simple word: within the abundance of choices in the market, a brand should be highlighted as an emotional connection that creates lifelong relationships with customers. The success of a brand depends vastly on how customers perceived it and the affection they have for it. The success of a brand is achieved through a disciplined process that involves building brand awareness and extending customer loyalty. This process requires strong commitment from the company's leaders. Furthermore, branding is about giving reasons for customer why they should choose this brand instead of another one. Thus, leveraging branding is a prerequisite to success in branding.

Apart from the value of the product or service, the brand of that product or service has a commercial value itself. This value is derived from the perception of consumers using the product of that brand. In marketing terminology, the value of a brand is construed as 'brand equity'. Aaker (1991), a leading author in brand study, categories brand equity into five brand assets including brand loyalty, brand awareness, perceived quality, brand associations and other proprietary assets.

From the customer perspective, brand equity is the subjective and intangible assessment of customers towards the brand. According to Keller (2008), this assessment is accessed individually and is 'above and beyond its objectively perceived value'.

This part of the research discusses brand to the extent of product and service. The broader discussion of brand such as corporate brand or employer brand is facilitated in the following parts, after the foundation of brand has been laid in this part. As a recap, brand is a name, logo, symbol, design or any intangible object that is stuck to a product or service. The production of identical products from competitors would be challenging by the presence of the brand, as the brand represents the source of the product. Thus, the brand protects both customers and producers. Every brand has its own equity namely brand loyalty, brand awareness, perceived quality and brand associations. The strength of a brand is summoned up by various branding activities and processes.

2.1.2 Corporate Brand

Corporate brand, according to Balmer (2001), is a means for corporate to deliver characteristics of corporate identity towards its internal and external stakeholders. As corporate brand involves inner and outer parties, there are gaps between how the organisation illustrates itself and how the outsiders perceive the organisation. Balmer (2001), thus, describes corporate brand as 'the interface between self-portrayal and external perception' of the organisation.

In the world of marketing, brand usually sticks with a product or service. Corporate brand, argued by Uggla (2006), however, 'can be much more multidimensional by their ideology'. Balmer and Gray (2003) refer this multidimensional aspect as people, values, practices and processes. Unlike branding in its general understanding, where customer-based images are focused, corporate branding, according to Hatch and Schultz (2008), contributes to the images of the whole organisation and all its stakeholders including employees, customers, investors, suppliers, etc. Therefore, every activity of the organisation regardless of time or level is considerably influenced by the corporate brand.

The topic of corporate branding is discussed in this research since employer branding is the message inside corporate branding, the employer branding activities are steered by the strategy of corporate branding. While the target of corporate branding aims at a broader scope, the target of

employer branding is limited to the labour pool. Thus, the clear connection between corporate branding and employer branding is they both serve as the instrument to convey the organisation's message. In this way, employer branding falls under the umbrella of corporate branding and employer branding strategy should be associated with corporate branding strategy.

2.2 Human Resource Management (HRM)

Armstrong (2012) defines HRM as 'a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organisations'. In an earlier study, Beer (1984) specifies that HRM involves management decisions that influence the relationship between organisation and employees. Attending to more detail, Guest (1987) points out that the goal of HRM is to maximise the shared values at the workplace including organisational integration, employee commitment, flexibility and quality of work.

Serving as a main function in every business, HRM plays an integral role in the success of the organisation in terms of its human capital (Armstrong 2012). Furthermore, Ulrich and Lake (1990) assert that "HRM systems can be the source of organisational capabilities that allow firms to learn and capitalise on the new opportunities".

In order to attend eventual success of the organisation through people, HRM has been developed and has been suggested to be seen as a system in which every element of its functions should be 'coherent and internally aligned' (Kepes and Delery 2008). The main functions of HRM include Organisation, Resourcing, Learning and Development, Reward Management and Employee Relations as illustrated in Figure 1.

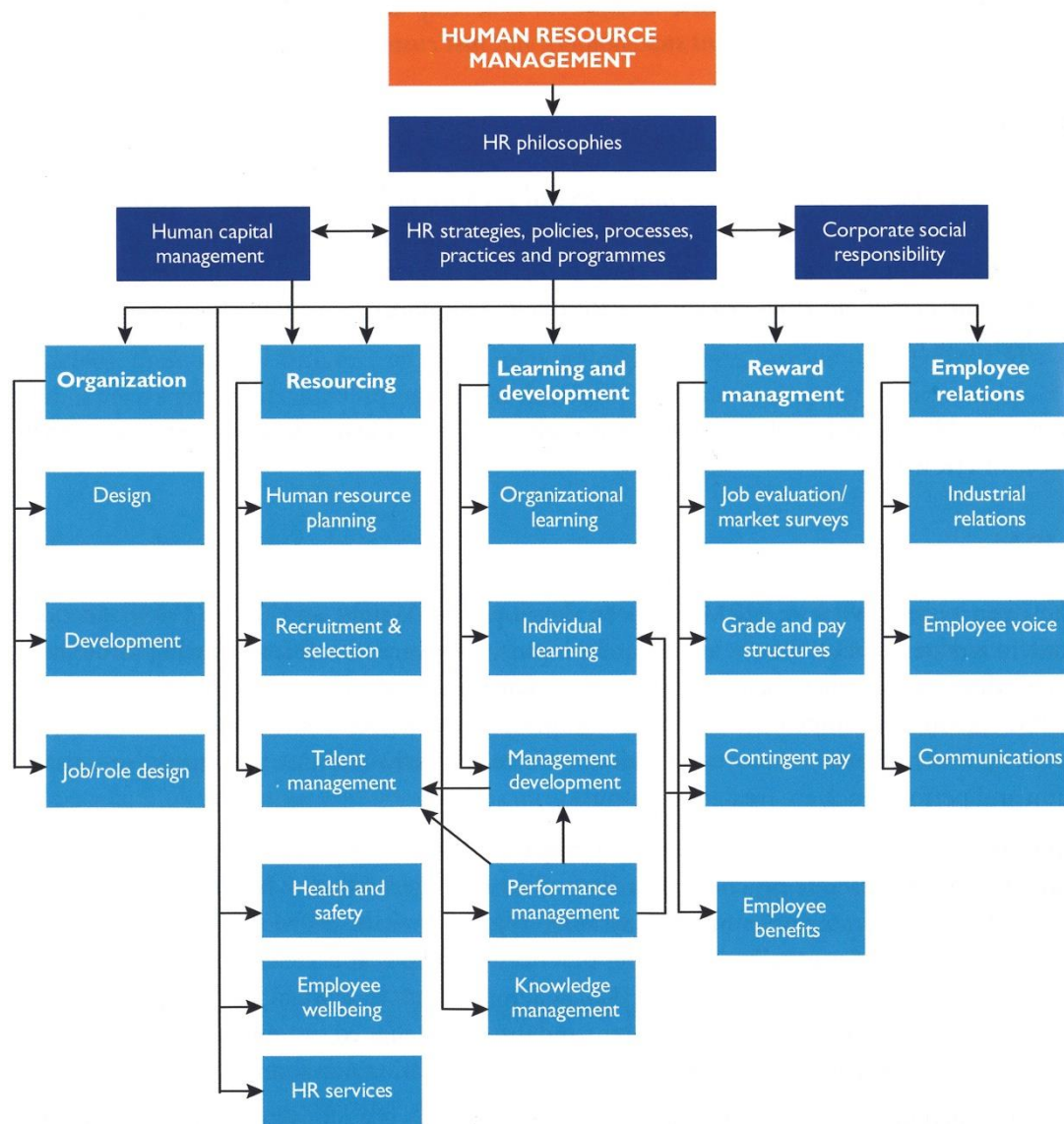


Figure 1. HRM System (Armstrong, 2009)

Although HRM is a broad topic concerning how organisations manage their workforce to achieve their success, the scope of this research only limits to Recruitment, which is a function of HR that interacts directly with candidates, the potential employees.

2.2.1 Recruitment and Selection process

Recruitment is one of the main functions of resourcing within HRM. Recruitment is intimately connected to Selection as they are both involved in finding and choosing the most suitable people

for the job and organisation. Regarding Recruitment and Selection, Armstrong (2009) illustrates that recruitment is the whole process of attracting and catching sight of candidates that fit the job or organisation. This suggests why Employer Branding, which is partially concerned with attracting potential employees, is closely related to Recruitment. Selection, on the other hand, is a stage within the recruitment process that deals with choosing the right applicant for the job. In other words, as a main role in resourcing human capital, the recruitment and selection process consists of the functions such as identifying, attracting and choosing suitable candidates (Beardwell 2004).

The review of Recruitment and Selection process suggests that although Employer Branding is not clearly stated to belong to this process, it is presumably believed that it has its own stance within Recruitment and Selection. Furthermore, Employer Branding is about attracting people in the labour pool, which is a function of Recruitment. Thus, the theory review of Recruitment and Selection helps explain the role Employer Branding in the world of HRM.

2.2.2 Strategic Human Resource Management

Strategy

In every form of business, achieving particular organisational objectives gives organisations reasons to exist. That is where strategy takes effects as it clarifies a way for organisations to achieve their goals. In that meaning, Thompson and Strickland (1996) explain strategy as ‘the pattern of actions managers employ to achieve organizational objectives’. According to Armstrong (2011), strategy has two meaning, in which the first meaning is to define the destination and the means to get to that destination. Within this first meaning, longer-term goals are defined and strategic planning is covered. The second meaning of strategy involves identifying the organization’s position in the environment it operates. Thus, matching its ‘capabilities and resources to opportunities available in the external environment’ is a vital requirement when dealing with strategy. Johnson and Scholes (2008) describes this second meaning of strategy in other words: strategy signifies ‘the direction and scope of an organization over the longer-term ideally, which matches its resources to its changing environment, and in particular, to its markets, customers and clients to meet stakeholders expectations’.

Strategic Human Resource Management (SHRM)

As mentioned earlier, HRM is ‘a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organisations’. Strategic HRM is regarded as a higher form of HRM when it is not only limited to the well-being of the people working in organisations but rather to fulfil the organisation’s goals. Accordingly, human capital is a major source of competitive advantage and the organisational goals are achieved through human resources of the organisations using the means of ‘integrated HR strategies, policies and practices’ Armstrong (2006, 2011, 2012). From another perspective, Schuler (1992) points out that SHRM is related to activities that enhance behaviour of individuals to ‘formulate and implement the strategic needs of the business’. In other words, Storey (2009) refers SHRM as the way to manage employment relationships to deliver the best performance of human resources and, thus, to achieve the organization’s goal.

In the context of this research, Strategic Human Resource Management is regarded as a theme to understand the Resourced-Based View, which is a strategic approach to recognise human capital as a viable source of competitive advantages. The following parts provide in-depth understanding of Resource-Based View and how it is integrated to the domain of SHRM.

2.2.3 Resource-Based View of Strategic Human Resource Management

The theory of RBV

Resources of a firm, from the viewpoint of Barney (1991), are everything including assets, capabilities, organisational processes, know-how, human capital, etc. that empower a firm to formulate and utilise a certain strategy. Based on previous researches of (Williamson 1975), (Becker 1993) and Tomer (1987), Barney (1991) categorises resources into three fields which are physical capital resources, organisational capital resources and human capital resources. In terms of physical capital resources, technology, plant, equipment, location and access to raw materials are considered. Human capital resources account for training, experience, judgement, intelligence, relationships and insight of employees. Organisational capital resources, on the other hand, consist of structure, planning, controlling systems or relations between parties. Although listing aforementioned concepts as resources of a firm, Barney (1991) argues that not all of them are considered as strategic

resources. While several serve as crucial aspects for a successful strategy, some others are neutral and some are even impediments.

Barney (1991) indicates that only resources with a set of particular attributes are regarded as competitive advantages. According to Barney (1991), resources of a firm might create sustained competitive advantages when its resources are valuable, rare, in-imitable and non-substitutable. Within the Resource-Based View (RBV), the firm's resources serve as the driven force of competitive advantage and performance. A resource is a competitive advantage when it either exploits opportunities or reduces the firm's own weakness. In the base of RBV, the resource is rare among the current and potential competitors. Moreover, the resource is "imperfectly imitable", in which it is challenging for other firms to access if they do not own those valuable and rare resources. Lastly, the resource must be without strategically equivalent substitutes.

Furthermore, Barney (1991) differentiates between competitive advantage and sustained competitive advantage by clarifying his understanding between them: "A firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors. A firm is said to have sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy."

This line of reasoning suggests a relation between Strategic HRM, Employer Branding and Resource-Based View. Moreover, it should be interpreted in the way the resources are an indispensable part of strategy. Discussing about the rationale for resource-based strategy, Grant (1991) argues that "the resources and capabilities of a firm are the central considerations in formulating its strategy: they are the primary constants upon which a firm can establish its identity and frame its strategy, and they are the primary sources of the firm's profitability. The key to a resource-based approach to strategy formulation is understanding the relationships between resources, capabilities, competitive advantage, and profitability – in particular, an understanding of the mechanisms through which competitive advantage can be sustained over time. This requires the design of strategies which exploit to maximum effect each firm's unique characteristics."

Resource-Based View of Strategic Human Resource Management

Burke and Cooper (2006) point out "the logic of a RBV emphasis in SHRM is understandable as the RBV provides a broad argument as to why HRM practices and employees may be a potential

source of value creation”. Furthermore, Wright, McMahan, and McWilliams (1994) also show that all those four requirements: value, rarity, inimitability and non-substitutability are potentially possessed by the employees.

Armstrong (2012) clarifies the significance of the resource-based view of the firm is that “it highlights the importance of a human capital management approach to HRM. This provides the justification for investing in people through resourcing, talent management, and learning and development programmes as a means of enhancing competitive advantage with an emphasis on building flexibility and developing the integrative linkage.”

Colbert (2004) convinces that RBV is an integrating ground for SHRM in which “most resource-based arguments are rooted in human resources – the skills, knowledge, and behaviour of employees – or organizational resources – control systems, routines, and learning mechanisms – that are products of complex social structures built over time and, thus, are difficult to understand and imitate”.

Deeper investigations into the aspects of RBV in SHRM provide more clues of how human resources should be viewed as a competitive advantage. According to the aforementioned research of Barney (1991), a resource is regarded as a competitive advantage when it is rare, valuable, inimitable and non-substitutable. First of all, human resources, according to Wright et al. (1994), are not a rarity but, nevertheless, abundant due to the endless pool of labour supply. However, Wright et al. (1994) adds that what is considered to be rare in this case is in fact the skills, competencies, capabilities and high quality among the resources are limited. In short, human resources are bountiful yet talents are rare. Secondly, human capital resources are valuable since only human resources can facilitate the development of business. Thirdly, human resources as competitive advantage have to be imperfectly imitable. The inimitability is assured by the three prerequisites namely unique historical conditions, causal ambiguity and social complexity (Wright et al. 1994). Among the three requisites, unique historical conditions are attached to the firm’s culture, leadership or underlying assumptions (Kotter and Heskett 1992); casual ambiguity is the condition in which factors of a competitive advantage are ambiguous to the competitors (Barney 1991); social complexity serves as a source of complexity which might hinder inimitability. Lastly, human capital resources need to be non-substitutable to be considered as competitive advantage. Wright et al. (1994) asserts that human resources are not obsolete and meet the criteria of a sustainable competitive advantage by challenging that “only resources that can substitute for human resources are those resources that are themselves valuable, rare, inimitable, and non-substitutable.”

The theory review of SHRM and the Resource-Based View of SHRM provides solid ground to consider HRM as a valuable source for sustainable competitive advantage. The reason behind this is that HRM has all four elements of such competitive advantage namely value, rarity, inimitability and non-substitutability. Only when human capital is viewed as a source of sustainable competitive advantage that help organisations outpace in the market and fulfil their goals can they value human resources and spend effort to attract and develop effective strategy for them. The aforementioned reasoning suggests that Employer Branding is a part of HRM strategy. The presence of RBV in SHRM would leverage the status of HRM in every organisation.

2.3 Employer Branding

Employer Brand is a concept denoting perception of current and prospective employees toward an organisation as a great place to work (McLeod and Waldman, 2013). In line with this definition, Employer Branding is the process of sending out the ‘great place to work’ image to those groups. Involved with emotional values, Employer Branding is a story-telling process that leverage the image of the employer and help bring the employer closer to the candidate pool (Sluis 2009).

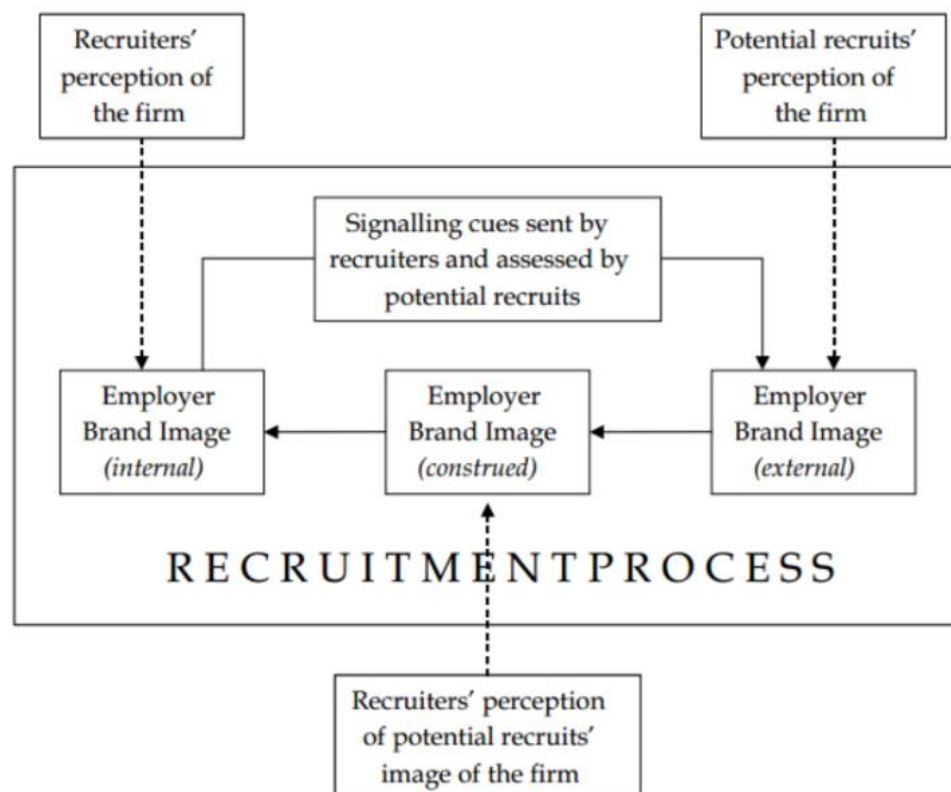
Generally understanding, while Marketing is the communicating process of selling a product or service to customers and Human Resource Management plays the role of attraction, recruitment, selecting, training, development, assessment, rewarding and other activities related to employment, Employer Branding is regarded as the connection between those two fields as it involves building an appealing image of the employer in the mind of potential employees. Thus, Marketing concepts of branding, image, reputation, awareness, and HR concepts of organisational identity and employee satisfaction are converged in Employer Branding. (Barrow and Mosley 2005)

The perception of prospective employees towards a brand depends greatly on their experiences with that brand. The process of providing those experiences for consumers is known as creating brand awareness. Mentioned in marketing literature, the repeated exposure of a brand would increase its familiarity and, thus, brand awareness. Experiences of a brand that a consumer can have include seeing, hearing, thinking about it. Discussing about brand awareness, Keller (2008) illustrates that various forms of exposure ranging from ‘brand name, symbol, logo, character, packaging, or slogan’ to advertising and promotion, sponsorship and event marketing, publicity and public relations, and outdoor advertising have the possibility of increasing familiarity and awareness among the consumers. Employer Branding, thus, is not an exclusion from branding

activities mentioned in marketing literature. The perceptions of consumers (in this case, current and potential employees) towards the employer brand are partly shaped from their exposure of the brand.

Referring to the researches of Keller (1993) and Aaker (1991) on consumer-based equity, as long as the consumers acknowledge a unique brand image of certain products or services, the probability of them buying those products or services of a company over comparable products or services of another company will increase. Similarly, according to Cable and Turban (2001), the inner mind of candidates applying for jobs is identical to the decision of a consumer buying a product or service. What job seekers acknowledge of an organization would considerably affect their decision to apply for that organisation.

The marketing literature has pointed out that image of a brand is possibly perceived differently internally and externally (Dukerich and Carter 2000). This indicates that the employer brand of a company is perceived by its current and prospective employees in the way illustrated in marketing literature.



(Adapted from Dukerich and Carter, 2000)

Figure 2. Employer Branding in recruitment process (Knox and Freeman 2006) (Dukerich and Carter 2000)

Lievens and Highhouse (2003) have conducted a research to explore how job or organisational factors and characteristics of a company affect the perceptions of potential employees towards the company's attractiveness as an employer. From the instrumental and symbolic framework established from marketing literature, each product has both functional and symbolic meanings. The functional or instrumental functions of a product correspond to its physical or tangible values. For example, a consumer buys a mobile phone because he/she wants to utilise its instrumental functions such as communication purposes and convenience. On the other hand, symbolic functions of a product are associated with its intangible or imaginary attributes that would help enhance the consumers' self-image or maintain their self-identity. For example, a consumer buys a smart phone because its traits or image might show who he/she is or the way he/she wants other to see him/her.

Table 1. Instrumental-Symbolic Framework in Marketing (Lievens, Highhouse 2003)

	Instrumental attributes	Symbolic attributes
Synonyms	<ul style="list-style-type: none"> • Utilitarian or functional attributes 	<ul style="list-style-type: none"> • Self-expressive attributes
Content (Keller 2008)	<ul style="list-style-type: none"> • Product-related attributes • Describe a product in terms of objective, physical, and tangible attributes that a product either has or does not have 	<ul style="list-style-type: none"> • Non-product-related attributes, especially user imagery • Describe a product in terms of subjective and intangible attributes that accrue from how people perceive a product and make inferences about it rather than what a product does/has
Motive (Katz, 1960; Shavitt, 1990)	<ul style="list-style-type: none"> • People's need to maximize rewards and minimize punishments. In other words, they enable consumers to maximize benefits and minimize costs • Utility serves as the primary reason for consumers' attraction to instrumental attributes 	<ul style="list-style-type: none"> • People's need to maintain their self-identity, to enhance their self-image, or to express themselves (beliefs, traits, personality, etc.) • Self-expression serves as the primary reason for consumers' attraction to symbolic attributes
Example	<ul style="list-style-type: none"> • A wants to buy a car because it drives fast and has comfortable seats 	<ul style="list-style-type: none"> • A consumer wants to buy a car because it seems cool and trendy

Regarding company's image as an employer (as known as employer brand), Lievens & Highhouse (2003) assume that the instrumental-symbolic framework has major significance on attracting applicants to the companies. In the world of human resources, within this framework, instrumental attributes attend to functional, concrete and factual aspects of the job or the organisation such as financial benefits namely salary, commission, monetary rewards, etc. or non-financial benefits for instance gym, insurance, medical care, etc. or size of the company or its location.

Additionally, Lievens and Highhouse (2003) specify that instrumental attributes of the job or organisation cannot be the only basis that determines applicants' initial attraction to a company. Symbolic attributes are also a source of attracting applicants. Aaker (1997), suggests that symbolic use of brands could be categorised into five dimensions of brand personality namely Sincerity, Excitement, Competence, Sophistication and Ruggedness (Figure 3). Lievens & Highhouse (2003) explain the five traits as: "Sincerity denoted traits related to warmth, acceptance, and honesty... Excitement encapsulated traits described as trendy, spirited, and imaginative... Competence was typified by traits referred to as reliable, secure, and successful." Sophistication is "characterised by traits such as upper-class and prestigious" and Ruggedness is 'presented by traits such as masculine and tough'. Furthermore, the research of Lievens and Highhouse (2003) proves that symbolic attributes have more effects on attracting applicants than instrumental values.

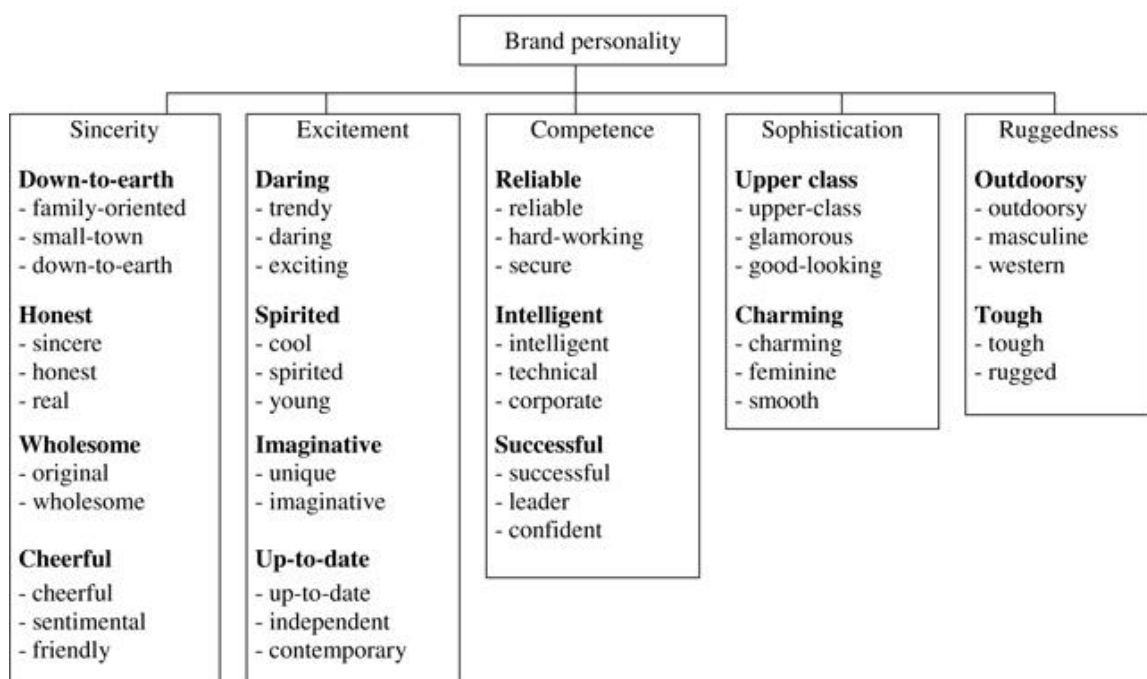


Figure 3. Brand personality scale (Aaker 1997) (Chase 2012)

Within this research, these two types of attributes in Employer Branding: instrumental and symbolic attributes are researched to explore their importance in students' decision to consider an IT SME as a prospective employer. The answers received would give a hint for IT SMEs on which points they should focus in case they decide to pursue Employer Branding. Regarding instrumental attributes, 7 options of this type of attributes are included. On the other hand, five attributes of symbolic value are not directly quoted in the questionnaire. The basic definitions and examples of them based on theory presented are included instead. The five symbolic attributes are interpreted as following:

- Sincerity: 'A workplace that is open, friendly and sincere where honesty is emphasized'.
- Excitement: 'A work place where my innovative and creative thinking are encouraged and valued'.
- Competence: 'A workplace where my competencies are valued and rewarded'.
- Sophistication: 'A workplace where the values of being trendy, classy or having charming style are appreciated'.
- Ruggedness: 'A workplace which is dynamic, performance-driven and result-oriented'.

Moreover, the literature of brand awareness by Keller (2008) is the ground for researching sources of exposure that shape students' perception of brand.

(The glossary of Employer Branding is included in Appendix 4, p.19)

3 BUSINESS ENVIRONMENT IN FINLAND

Finland is a Nordic country with the population of approximately 5.4 million people. Finland is a part of the Scandinavia and is renowned for its supportive social welfare system. Being affected by about 600 years as a colony of Sweden, Swedish has become an official language in Finland, besides Finnish. However, English is widely spoken in Finland with 90% of people under 30 that are fluent. As a highly developed country, Finland's GDP is up to the amount of \$45.000. Taxation is very high to support its social welfare and Finland is well known as a country that has one of the best educated populations in the world (AmCharm Finland, 2011). Categorising the country as a service-intensive country, agriculture has been decreasing dramatically during the years following the rising of services sector (Figure 4).

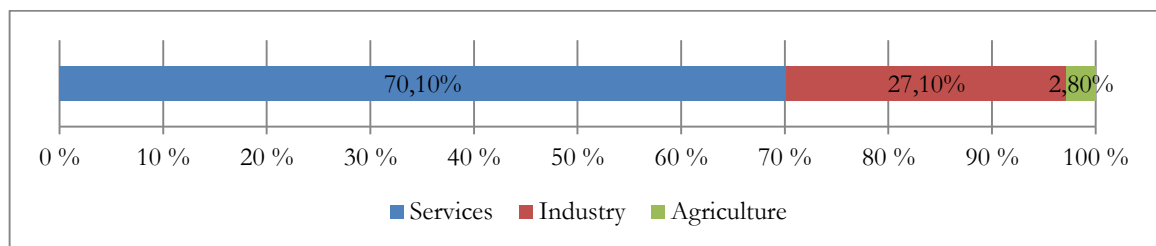


Figure 4. GDP Composition in Finland by sector of origin (CIA, 2013)

Considerable structural changes in Finnish business environment took place during the course of 1980s and 1990s. Finland has seen its rapid internationalization with an intense stress on R&D and Technology. According to Hirvonen (2004), in the 1990s, “Finland became of the most technology-intensive economies in the world”. Furthermore, according to AmCharm Finland (2011), “Businesses and the institutions of higher education work closely together in R&D: 70% of companies with R&D activities cooperate with universities and universities of applied sciences. Expertise and innovation play an increasingly important role in Finland’s future strategy. Innovation refers to competence-based competitive advantages that come from scientific research, technology, business models, service solutions, design, brands or methods of organizing work, and production. Capitalized as innovations, competence based competitive advantages promote the advancement of businesses, society and wellbeing. This is why innovation is an integral part of the R&D process”. Nokia, a Finnish multinational company operated in mobile telephones and portable devices industry, is a notable example of this period. Nokia is also known as the main

stimulus for technology development. This period also marks a milestone for Finland as it became a member of European Union in 1995, which radically changes the business life in Finland.

Recently, World Bank (2013) issues a work called “Doing Business 2014: Finland” that provides ‘an aggregate ranking on the ease of doing business based on indicator sets that measure and benchmark regulations applying to domestic small to medium-sized businesses through their life cycle’.

Having the population of 5.4 million people and the Gross National Income (GNI) of \$46.940, Finland is categorised as a high income country. Among the 189 countries ranked in Doing Business report, Finland ends up at 12th. The ten particular topics that help Finland gain its positions are starting a business, dealing with constructions permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. This high ranking of Finland indicates that its government has spent a lot of effort on creating a regulatory environment that is relaxed for businesses to operate. (World Bank 2013)

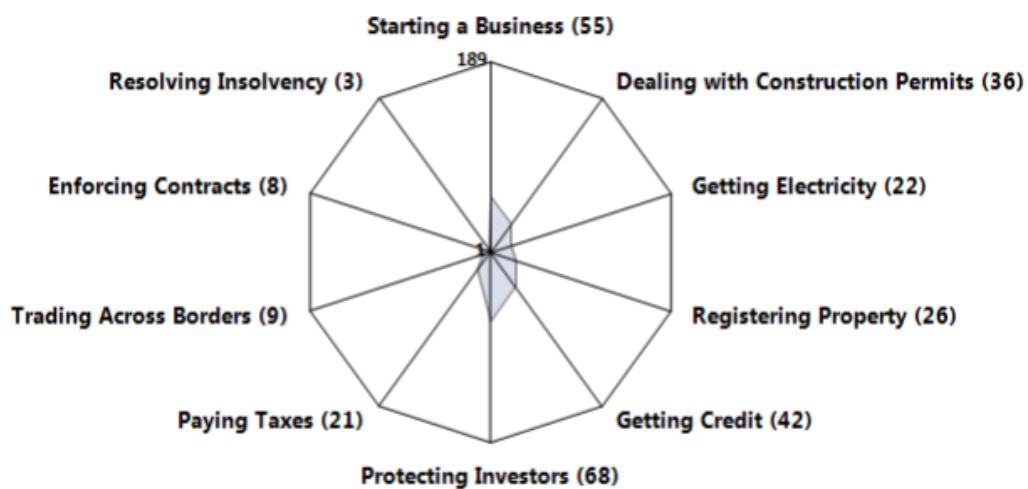


Figure 5. Topic of comparison of Finland (World Bank 2013)

Similar to other Nordic countries, trade unions play a very important role in Finnish business environment. Approximately 2.2 million people belong to a certain trade unions in Finland. Even though the retired, unemployed and students can also participate in trade unions, the proportion of employees that are union members still remains high. Statistics Finland shows that the union

density in 2008 is 74% among the workforce (Lehto 2008). According to Vanhala (1995), the high union rate makes Finland vulnerable for strikes since trade unions are strong backbone for employees to stand up against its employers (Simonen 2011).

Education is an integral part that is closely linked with business environment in Finland. Similar to the principles of welfare system, education is totally free in all levels. Due to this favourable opportunity, the number of well-educated people in Finland is high and this provides potential high quality skills for the Finnish workforce. However, in the recent years, Finland has started charging tuition fees for foreign or non-European students. (Vanhala 1995; Simonen 2011).

Small and Medium sized Enterprises (SMEs) are significant elements of Finnish Business environment. According to European Commission (2012), the estimated number of SMEs in Finland in 2011 (based on the figures from 2005-2009) is 212.508, which amounts to 99.7% of total enterprises in Finland. These 212.508 SMEs employ around 869.776 people, which corresponds 61.7% workforce. However, it should be noted that SMEs are categorised as Micro-, Small- and Medium-sized companies. Micro firms are those who employ less than 10 employees and dominate the number of firms (195.446 companies are micro-sized firms). Companies that employ from 10 to 49 employees are regarded as small companies. Those who employ from 50 to 249 people are medium-sized companies. Among the SMEs, 28% of them operate in high-tech or medium- to high-tech activities.

Technology, the principal focus of Finnish economy, accounts for 60% of total Finnish exports, 80% of private-sector R&D investment (Rönkkö 2011). The IT industry is an integral industry of technology in Finland and comprises of many fields including computer hardware, software, electronics, semiconductors, internet, telecom equipment and computer services, etc. However, the scope of this research only focuses on computer programming activities. This topic falls under the bigger umbrella of software industry.

Software development is crucial in Finland. Software business is defined as 'business of selling software (including systems software, application software, and games) either as licenses or as services and services related to development and deployment activities of this software'. However, operation of software produced by third parties or consulting of software systems and deployment projects of third-party software are not included in this field. (Rönkkö and Peltonen 2012)

The size of software industry in Finland is estimated to be approximately EUR 3 to EUR 6 billion (Rönkkö and Peltonen 2012). Besides, the Finnish software and IT services sector increased 5.8% in 2012, compared to 3.6% of worldwide software market growth.

Game industry is a sector derived from software industry that has been growing rapidly over the decade. The rate of development is even faster than global game market while the ‘compound annual growth rate of the industry in the period 2004-2012 has been 26%’ (Investment in Finland 2013). The turnover of Finnish game industry in 2012 was considerably increasing, which was EUR 250 million, jumping from EUR 165 million in 2011 and EUR 105 million in 2010. The total value of Finnish game industry in 2013 is expected to be EUR 600-800 million and by 2020 to be EUR 1.49 billion. Noticeably, an amount of USD 81.3 million has been invested in the Finnish game industry. (Vczone.fi 2013)

Furthermore, currently there are about 150 companies operated in Finnish game industry and employ approximately 1800 people (Vczone.fi 2013). The number of people is quite limited compared to nearly 40.000 personnel employed in whole IT industry in 2010 (Software industry survey 2012). However, the number is expected to be increasing as there are more and more institutions offering game education including Kajaani UAS, Metropolia UAS, Kymenlaakso UAS, North Karelia UAS, Turku UAS, Tampere UAS and Aalto University, etc.

4 THEORETICAL FRAMEWORK OF THE RESEARCH

Chapter 2 and 3 outline the theoretical and environmental framework of this research. Within chapter 2, the theory of Employer Branding is built based on the conjunction of Marketing and Human Resource. The understanding of Employer Branding requires the base of both fields.

Earlier literature suggests that Employer Branding is derived from the branding activities of Marketing. Thus, the concepts of Brand and Branding are examined and served as foundation for further research on Employer Branding. Moreover, Employer Brand is known to be a part of Corporate Brand. While corporate brand sends out the image to a broader scope, which includes all its stakeholders, employer brand is specifically designed for its current and prospective employees. The theoretical research of Corporate Brand ensures that Employer Brand is in line with its broader umbrella, Corporate Brand. Furthermore, from the perspective of Employer Branding, current and potential employees are regarded as its ‘customers’, compared to traditional customers in Marketing.

From the perspective of HRM, Employer Branding is integrated with HRM since Employer Branding involves attracting potential candidates, which is closely related to the Recruitment and Selection, one of the main functions of resourcing within HRM. Along with HRM and particularly Recruitment process, the literature of Strategic HRM and the Resource-Based View of Strategic HRM are as well recited. The integration of such subjects suggests that Employer Branding is required to be adhered to the overall strategy of the company and, thus, involves the participation of HR department to a higher degree. Furthermore, the recapitulation of the Resource-Based View within Strategic HRM implies that considering human resources as strategic competitive advantage with four values immense elements: value, rarity, inimitability and non-substitutability is a requisite condition to the success of Employer Branding.

Apart from the theory, chapter 3 provides the theme of business environment in Finland. Facts of business environment, IT industry, and particularly Software and Game industry are presented. Information regarding SMEs and their significant role in Finnish economy is also showed. The inspection of SMEs in Finnish business environment provides sound foundation of how some questions related to SMEs in the questionnaire are shaped.

Within the questionnaire, each question corresponds a domain of knowledge presented in chapter 2 and 3. Question 1 aims at figuring out if the concept of ‘Employer Branding’ is popular among

the students. The knowledge of students about the researched topic would determine how they react to following questions.

Questions 2 (7 items) and question 3 (6 items) are coordinated with the literature of instrumental and symbolic values of employer brand (Lievens and Highhouse 2003). However, question 3f is not as part of the literature but is intentionally included to study the importance of international diversity when students look for a job.

Afterward, question 4 (8 items) lists out the possible sources that are most likely exposed to the students. Question 4 is included to investigate how experiences of the perceivers affect the process of building brand awareness and how brand awareness is shaped (Keller 2008).

Then, question 5 (3 items) closely reflects the facts presented in chapter 3. The sub-questions in question 5 help discover the career preference of the students after graduating. Responses from question 5a and 5b are expected to show if there is a connection between working for a SME and working in IT industry, and, thus, leading to working in a SME in IT industry.

Questions 6 and 7 directly figure out opinions of students towards SMEs' employer brand and the impact of SMEs' employer brand (if any) on students' preference. Lastly, question 8 is an additional open-ended question to acquire other opinions on how a SME could attract the students if its employer brand does not work.

Table 2. Theretical framework

Research objective: Study the role of Employer Branding in IT SMEs in Finland			
Literature	Research Questions	Hypotheses	Survey Questions
Employer Brand	RQ₁: What is the impact of Employer Branding on students' decision to work for a company?	H₁: Employer Brand positively affects student's decisions to apply for a job in SMEs	Question 6 and 7
Instrumental and symbolic attributes of Employer Branding	RQ₂: What attract the graduating students when they look for a job?	H₂: Instrumental attributes are positively related to perceptions of students on Employer Branding H₃: Symbolic attributes are positively related to perceptions of students on Employer Branding H₄: In Employer Branding, symbolic values have stronger influence than instrumental values.	Question 1, 2, 3 and 7
Brand awareness	RQ₃: From which source do the students build employer brand perception?		Question 4
Business environment in Finland	RQ₄: What is the career orientation of the students after graduating?	H₅: Students prefer to work for companies with more than 50 employees	Question 5

5 METHODOLOGY

5.1 Selection of the Research Method

5.1.1 Quantitative Research

The research aims at developing initial understanding of students expectations and having an overall view of employer branding in Finnish IT SMEs. Thus, the quantitative research is chosen. This chosen method would make the collected data quantifiable, reliable and easy to generalise to larger population, which helps understand the role of Employer Branding in a larger scale.

A fixed questionnaire with closed-ended questions is selected as this type of research allows the usage of various statistical analysis tools. In the form of a standardised questionnaire, the data collected is expected to be more objective. Furthermore, the limited variables of answers in questionnaire method would make it easier to control the research.

5.1.2 Data Collection

The IT and Business students from 12 groups at Kajaani University of Applied Sciences are the target in this research. Within the 181 respondents, 40 are business students and the other 141 are IT students. Within those students, there are 93 first year students, 79 second year students, 8 third year students and 1 last year student. The number of senior students is limited since most of them are not present as they are doing their practical training or do not have any other classes.

The students from 12 groups were directly asked to do the questionnaire in the classrooms during the lecture, as the approval was given by the lecturers and school president beforehand. The direct approach assures the response rate to be 100% with the sample size of 181.

5.1.3 Questionnaire

The questionnaire was designed in English based on the theoretical framework built at first hand. After getting the approval from the supervisor, the survey was then translated into Finnish since almost every targeted student is Finnish speaker. The translation was conducted by a Finnish who is a senior international business student and double-checked by another senior international business student, one business teacher, one language teacher and one IT professional that are all Finnish and fluent in English. The translation would help the students overcome language barrier as 'Employer Branding' was expected to be a new topic and challenging to understand for them.

The survey was designed to have 8 major questions; 3 among which are Yes/No questions; one was an open-ended question and the other 4 contain totally 24 sub-questions. In the 4 questions containing sub-questions, respondents were asked to rank their opinions on 1-5 Liker scale (either 'unimportant' to 'very important' or 'strongly disagree' to 'strongly agree' or 'least preferred' to 'most preferred'). The estimated time to completely answer the survey was estimated to be 3 to 5 minutes.

Besides, at the beginning of the survey locates a short definition of 'Employer Branding' from McLeod et. al. (2013) and Sluis et. al. (2009) to give the students a concrete idea of what 'Employer Branding' is. To simplify the categorising and analysing the data process afterwards, the students were expected to fill in their pursuing degree as well as their group and major. Additionally, a small reward was offered as an encouragement for the respondents to answer all the questions.

5.2 Data Analysis

Within this research, descriptive statistics is used in every question to figure out the frequency distribution of each variable. This ensures that all variables and their number of responses are attained to provide a holistic view of the data collected. Depending on every variable, frequency distribution is presented in figures or percentages. Besides, crosstabs, frequency tables, bar charts or other statistics figures are good means to demonstrate univariate and bivariate data are also used in this research (Mooi and Sarstedt 2011).

Along the research, Chi-Square test is used to measure if the observed distribution is due to chance and, thus, test if a certain number of variables are independent of one another. In order

to test further the relationship between some variables, depending on measures of the variables, Pearson product-moment correlation coefficient (Pearson's correlation) or Spearman's rank correlation coefficient (Spearman's rho) can be used to analyse the correlation between two certain variables. Moreover, for variables that are not normally distributed, Mann-Whitney U Test is used to compare differences between them. (Mooi and Sarstedt 2011)

However, in some analyses where Chi-Square test is invalid as there are empty cells or cells with expected values less than 5, Monte Carlo test is used alternatively. Nevertheless, the value calculated from Monte Carlo method should only be used as a guideline to see if variables are independent.

5.3 Validity and Reliability

Validity is a concept that refers to 'whether we are measuring what we are measuring' and how well the survey measures what it sets out to measure. Validity can be assessed in many forms. Content validity is one of them, in which the questions on the questionnaire have to relate to the construct measured. This requires the definition of what to measure and discussion of what to include (Mooi and Sarstedt 2011). This aspect of validity – content validity – could be assessed through the theoretical framework, which is mainly based on Employer Branding. This theoretical framework clearly defines what to measure and directly links the theory with the items in the questionnaire.

Reliability refers to the circumstance in which the questionnaire can produce the exact result while conducted under identical conditions. Validity is required before accessing reliability. Reliability can be assessed in three forms including test-retest reliability, inter-rater reliability and internal consistency reliability (Mooi and Sarstedt 2011). The test-retest reliability is challenging to assess in this research due to time and effort restriction. Furthermore, making a respondent answer the questionnaire twice might relate to the past survey and feel uncomfortable doing it again. While the inter-rater reliability is only used to assess the reliability of secondary data of qualitative data, internal consistency reliability is the option for this research (Mooi and Sarstedt 2011).

According to Mooi and Sarstedt (2011), the use of internal consistency to assess reliability of the questionnaire requires the use of multiple variables to measure the same thing and examine how these measures relate to one another. If those measures relate strongly and positively, the degree

of internal consistency should be high. *Cronbach's a* is an index that measures internal consistency. The value of *Cronbach's a* varies from 0 to 1. The questionnaire is generally regarded as reliable when the coefficient is 0.70. For exploratory studies such as this research, 0.60 is an acceptable value (Mooi and Sarstedt 2011). Aligning with this guideline, within this questionnaire, the items in Q1 measure the same topic, instrumental values of employer brand. Correspondingly, the items in Q2 measure symbolic values of employer brand. The usage of SPSS makes it simple to calculate *Cronbach's a* of items in Q1 and Q2. The coefficient of Q1 is 0.616 (7 items) and that of Q2 is 0.732 (6 items) which satisfy the conditions to be regarded as reliable.

6 EMPIRICAL FINDINGS AND DATA ANALYSIS

6.1 The Impact of Employer Brand on Students' Decision to Work for a Company

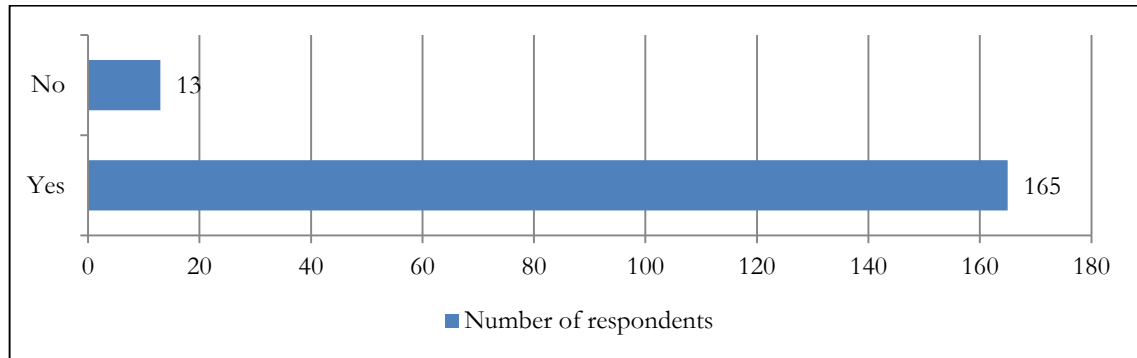


Figure 6. Q6: Does a SME has an employer brand? (n=178)

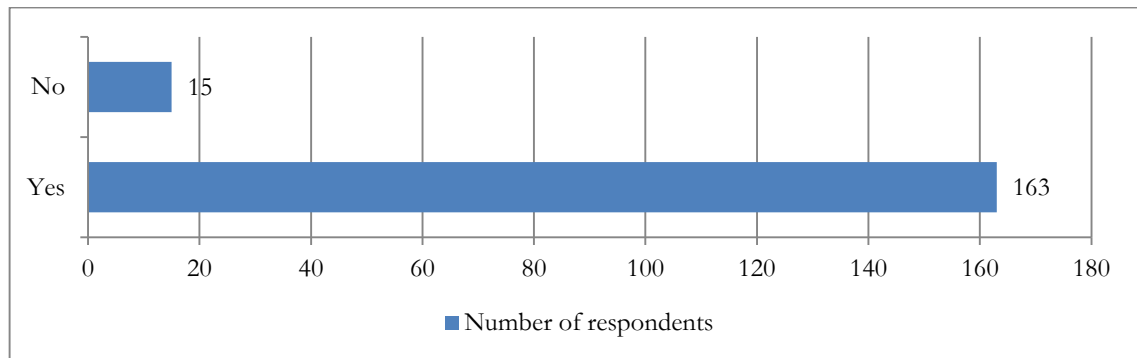


Figure 7. Q7: Will the employer brand of a SME attract the students to consider it as a prospective employer? (n=178)

Figure 6 and Figure 7 show the frequency distribution of 178 valid respondents in Q6 and Q7. In addition, Table 3 is the cross tabulation of Q6 and Q7. There are valid only 176 respondents in Table 3 due to the missing of value in Q6 and Q7.

Figure 6 shows that the majority of respondents, which are 165 over 13 respondents, think that SMEs have an employer brand. Equivalently, 163 over 15 respondents think that employer brand of a SME would attract the students to consider the company as a prospective employer (Figure 7). Correspondingly, Table 3 presents that 86.9% of the respondents think that a SME has an employer brand and the employer brand of the SME would attract the students to consider it as a prospective employer.

Table 3. Cross tabulation of Q6 x Q7 (n=176)

	Q7. Will the employer brand of a SME attract the students to consider it as a prospective employer?			Total
		No	Yes	
Q6. Does a SME have an employer brand?	No	5	8	13
	% of Q6	38.5%	61.5%	100%
	% of Q7	33.3%	5.0%	7.4%
	% of Total	2.8%	4.5%	7.4%
	Yes	10	153	163
	% of Q6	6.1%	93.9%	100%
	% of Q7	66.7%	95.0%	92,6%
	% of Total	5.7%	86.9%	92.6%
Total		15	161	176
% of Q6		8.5%	91.5%	100%
% of Q7		100%	100%	100%
% of Total		8.5%	91.5%	100%

In the context of Q6 and Q7, the *Pearson Chi-square* value is 16.138 with the *degree of freedom* of 1 is proven to be invalid as there is one cell (25%) that has expected count less than 5 while the minimum expected count is 1.11. As an alternative, the *Monte Carlo* test is used to test if there is relationship between the two variables. The *Monte Carlo* test provides the *p-value* of 0.002, which is smaller than 0.05, and, thus, is understood that responses from Q6 and Q7 are not independent from each other and are not due to chance. Next, as the level measurement of both Q6 and Q7 are nominal, the *contingency coefficient* is regarded as the value to measure the correlation between them, provided that they are already not independent from each other. The calculation of *contingency coefficient* provides the value of 0.290, which suggests that there is slight association between the responses of Q6 and Q7. Even though the *Monte Carlo* test can only serve as a guideline, the value drawn from it can be translated that the responses from Q6 and Q7 are affected from each other. In short, the correlation between Q6 and Q7 means that a change in answers of Q6 would lead to a change in Q7 in parallel. Thus, both the groups of respondents who think that either a SME has an employer brand or not have an intention to think that the employer brand of a SME would attract them to consider it as a prospective employer. However, there is a slight difference in two groups. Most of those who think SMEs have an employer brand, think the brand will attract them in considering the SME as prospective. Nevertheless, only 61.5% who think SMEs do not have an employer brand, think the employer brand of that SME will attract them to consider it as a prospective employer. (Appendix 3, p.16)

H₁: Employer Brand positively affects student's decisions to apply for a job in SMEs

The *contingency coefficient* value calculated previously indicates that there is positive relation between the students' perception that 'SMEs have an employer brand' and 'Employer brand of a SME attracts the students to consider the SME as a prospective employer'. **Although the correlation is slight, it can still be drawn out from this result that Employer Brand positively affects student's decisions to apply for a job in SMEs. This means that H₁ is accepted.**

6.2 Perceptions towards Employer Branding and Values of Employer Brand

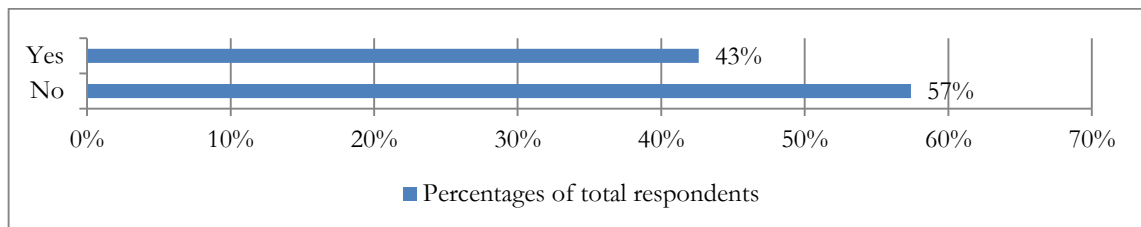


Figure 8. Q1: Do the students know the meaning of 'Employer Branding' before this survey? (n=176)

Question 1 aims at figuring out whether the students are familiar with the 'Employer Branding' term in prior to this survey. Among 176 valid respondents, 57.4% answered that they had known the meaning of 'Employer Branding' in prior to this survey.

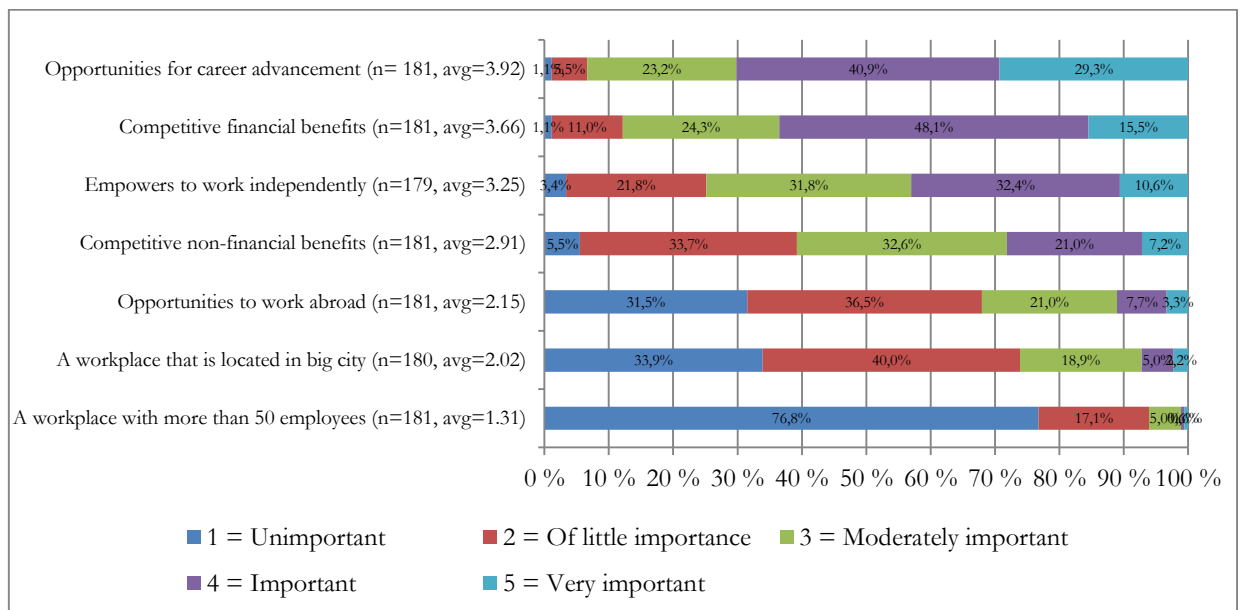


Figure 9. Q2: How instrumental attributes of employer brand affect the decision of a student to apply for a job at a company?

Figure 9 demonstrates the number of respondents, the numbers of their choices as well as the means of how important each instrumental attributes to the respondents when they look for a job (on the 1-5 Likert scale). The higher the means, the more important the attributes compared to other attributes in the same fields.

Among the instrumental attributes of a job or organisation suggested in the survey (Figure 9), career advancement, financial benefits and the empowerment to work independently are regarded as primary importance. Career advancement is considered as important or very important by 70.2% and financial benefits are considered as important or very important by 63.5% of the respondents respectively. Besides, non-financial benefits are only important to some extent, yet obviously not the priority, since the majority of the respondents which are 66.3% rate them as 'of little importance' or 'moderately important'.

On the other hand, opportunities to work abroad, work location (in big cities) or size of the company is not considered as important factors for the respondents to consider applying for a company. The majority of the respondents, 68% and 73.9%, think that opportunities to work abroad or the location of the company in big cities are either 'unimportant' or 'of little importance'. Most notably, the majority of respondents, 93.9%, believe that the size of a company is 'unimportant' or 'of little importance' when they look for a job.

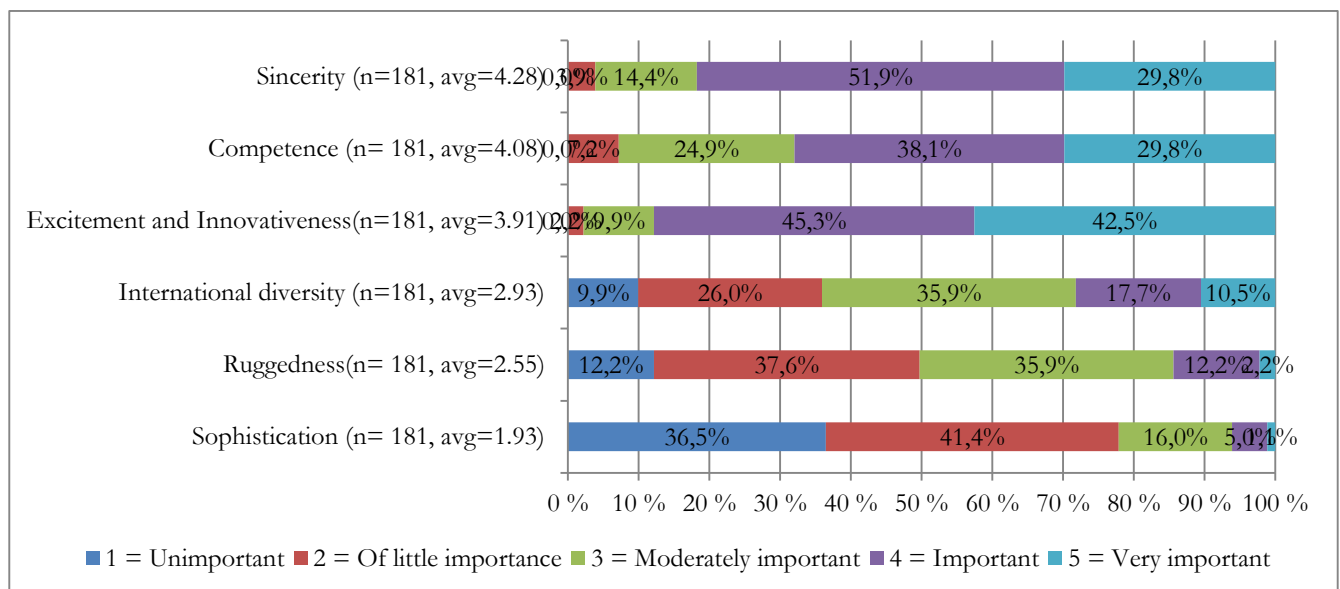


Figure 10. Q3: How symbolic attributes of employer brand affect the decision of a student to apply for a job at a company?

Figure 10 shows answers of respondents to the symbolic attributes of employer brand and the means of each attribute on the 1-5 Likert scale. The means of each attribute indicates how important that attribute is when the respondent looks for a job.

‘Sincerity’, ‘Competence’ and ‘Excitement and Innovativeness’ are positioned among the top symbolic attributes. ‘Sincerity’ is considered to be ‘important’ or ‘very important’ by 87.8% of the respondents. Likewise, ‘Competence’ and ‘Excitement and Innovativeness’ are regarded as ‘important’ or ‘very important’ by 81.8% and 68% of the respondents. Noticeably none of 181 respondents think that those three symbolic attributes are unimportant to them. This reflects that when a student looks for a job, what he or she truly looks for is ‘a workplace that is open, friendly and sincere where honesty is emphasized’, ‘a workplace where competencies are valued and rewarded’ and ‘a workplace where innovative and creative thinking are encouraged and valued’.

‘International diversity’ is not mentioned directly by Lievens and Highhouse (2003) but seemingly is an interest that might attract students. This attribute is situated in a neutral stance where respectively 9.9% of the respondents consider it to be ‘unimportant’, 26% think it is ‘of little importance’, 35.9% think that it is ‘moderately important’, 17.7% think it is ‘important’ and 10.5% of the respondents think ‘international diversity’ is very important.

The reaction towards ‘Ruggedness’ is slightly similar to that of ‘International diversity’. However, most of the respondents think that this attribute is either ‘of little importance’ (37.6%) or ‘moderately important’ (35.9%). This reference indicates that “a dynamic, performance-driven and result-oriented workplace” does not need to be a main stress of a company when a student looks for a job.

On the contrary, the majority of the respondents, approximately 77.9%, firmly believe that the ‘Sophistication’ attribute is either ‘unimportant’ (36.5%) and ‘of little importance’ (41.4%). ‘Sophistication’ is an attribute in which the values of being trendy, classy or having charming style are appreciated.

H₂: Instrumental attributes are positively related to perceptions of students on Employer Branding.

In order to test H₂, the *Mann-Whitney U test* is utilised to compare means of answers from two questions Q2 and Q7 to see if instrumental attributes are positively related to perceptions of students on Employer Branding. In Q2, the 1-5 Likert scale was used to measure opinions of the respondents.

In this test, the means of 7 variables are calculated to use for *Mann-Whitney U test* to compare with the answer from Q7. The calculation of mean rank gives the value of 74.80 for 'No' answers and 89.24 for 'Yes' answers. The *p-value* is 0.289, which is higher than 0.05. Thus, the means from Q2 and Q7 are equal. This suggests that a change in one variable would not lead to a change in another variable and two variables are not correlated (Appendix 3, p.19). **Therefore, H₂ is rejected, which means that instrumental attributes are not proven to be positively related to perceptions of students on Employer Branding.**

H₃: Symbolic attributes are positively related to perceptions of students on Employer Branding.

Similarly, the identical test is carried out to test H₃ to explore if symbolic attributes are positively related to perceptions of students on Employer Branding. Within symbolic attributes, the mean rank of 'No' answers is 88.4 while the mean rank of 'Yes' answer is 89.6. The *p-value* from this *Mann-Whitney U test* is 0.931, which is very close to 1, implies that the means of Q3 and Q7 are basically the same, and thus, H₃ is also rejected (Appendix 3, p.19). **The conclusion from this H₃ test suggests that symbolic attributes are not proven to be positively related to perceptions of students on Employer Branding.**

H₄: In Employer Branding, symbolic values have stronger influence than instrumental values.

H₂ and H₃, which are the preconditions of H₄ are not fulfilled. Thus, H₄ is abandoned due to the unavailability to carry out the test and compare the correlation between two groups Q2xQ7 and Q3xQ7.

6.3 Sources of Employer Branding

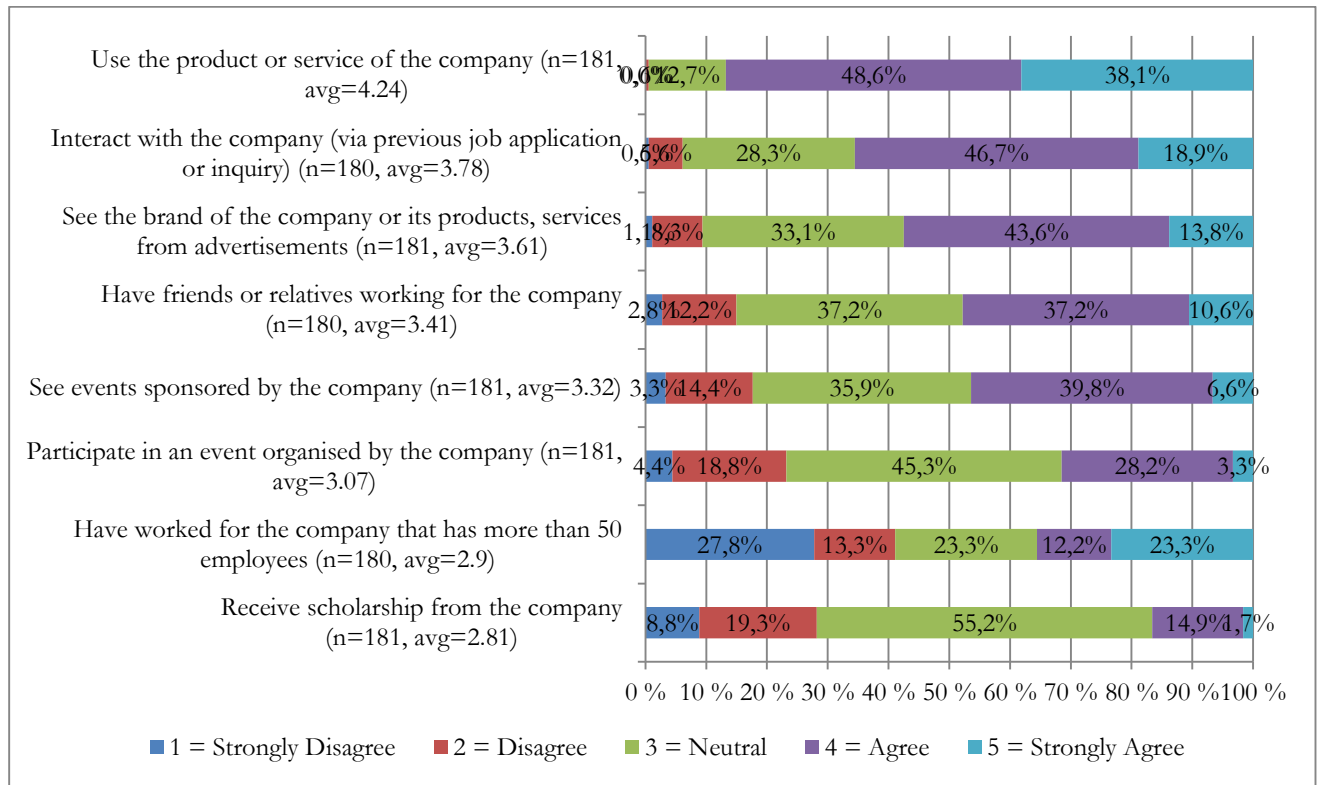


Figure 11. Q4: Through which type of exposure was the employer brand built?

Figure 11 shows the sources of employer brand that attract the students. The respondents were asked to rank on the 1-5 Likert scale from 'Strongly disagree' to 'Strongly agree' on each of the 8 suggested sources of employer brand. The mean of each factor represents the level of agreement. The higher the mean is, the stronger the respondents agree.

Totally 86.7% of the respondents agree (48.6%) or strongly agree (38.1%) that 'using the product or service of the company' would help build their perception towards the company's brand. Only one respondent disagrees with this factor.

Among the four following factors, the level of agreement of the respondents decreases respectively: 'interact with the company (via previous job application or inquiry)' (65.6% agree or strongly agree), 'see the brand of the company or its products, services from advertisements' (57.5% agree or strongly agree), 'have friends or relatives working for the company' (47.8% agree or strongly agree), 'see events sponsored by the company' (46.4% agree or strongly agree).

The factor ‘have worked for the company’ receives various responses without any significant majority in each level of agreement. Correspondingly 27.8% of the respondents strongly disagree, 13.3% disagree, 23.3% maintain neutral opinion, 12.2% agree and 23.3% agree that having worked for a company would help them build their brand perception.

Nevertheless, the majority, counted 55.2% neither agree nor disagree that receiving a scholarship from a company would increase their brand perception towards that company. Only 16.6% totally have positive answer (14.9% agree and 1.7% strongly agree) and totally 28.2% do not think that this factor would affect their brand perception (19.3% disagree and 8.9% strongly disagree).

6.4 Students’ Career Orientation

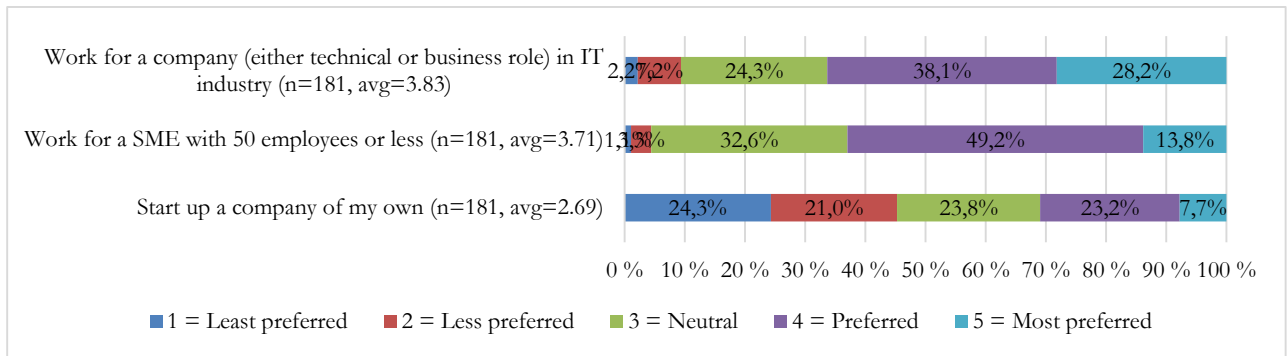


Figure 12. Student's career orientation after graduating

Figure 12 presents the career orientation of the respondents on the 1-5 Likert scale (‘Least preferred’ to ‘Most preferred’). Most of the respondents think that the two options ‘work for a company in IT industry’ and ‘work for a SME with 50 employees or less’ are suitable for them. Furthermore, figure 12 shows that among 181 respondents, 22.1% prefer to work for a SME in IT industry; 12.7% are neutral if they would work for an SME in IT industry; 11.6% most prefer to work for a company in IT industry and prefer to work for a SME; 11% prefer to work for a company in IT industry yet are neutral if they would work for a SME; 8.3%, would most prefer to work for a IT company but are neutral if they would work for a SME. Totally, 38.1% and 28.2% prefer and most prefer the option ‘work for a company in IT industry’ respectively. The second option, ‘work for a SME with 50 employees or less’ receive 49.2% ‘preferred’ answers and 13.8% ‘most preferred’ answers.

In contrast, there are scattered answers in the ‘start up a company’ option. Respectively 24.3% of the respondents rate least preferred; 21% less preferred; 23.8% neutral; 23.2% preferred and only 14% most preferred.

Table 4. Relationship between the reference of working for a SME and working for a company in IT industry (Cross tabulation of Q5a x Q5b)

		Q5b. After graduating, the students intend to work for a SME with 50 employees or less					
		Least preferred	Less preferred	Neutral	Preferred	Most preferred	Total
Q5a. After graduating, the students intend to work for a company (either technical or business role) in IT industry	Least preferred	1	0	0	2	1	4
	% of 5a	25.0%	0%	0%	50.0%	25.0%	100%
	% of 5b	50.0%	0%	0%	2.2%	4.0%	2.2%
	% of Total	0.6%	0%	0%	1.1%	0.6%	2.2%
	Less preferred	0	0	1	11	1	13
	% of 5a	0%	0%	7.7%	84.6%	7.7%	100%
	% of 5b	0%	0%	1.7%	12.4%	4.0%	7.2%
	% of Total	0%	0%	0.6%	6.1%	0.6%	7.2%
	Neutral	0	1	23	15	5	44
	% of 5a	0%	2.3%	52.3%	34.1%	11.4%	100%
	% of 5b	0%	16.7%	39.0%	16.9%	20.0%	24.3%
	% of Total	0%	0.6%	12.7%	8.3%	2.8%	24.3%
	Preferred	0	4	20	40	5	69
	% of 5a	0%	5.8%	29.0%	58.0%	7.2%	100%
	% of 5b	0%	66.7%	33.9%	44.9%	20.0%	38.1%
	% of Total	0%	2.2%	11.0%	22.1%	2.8%	38.1%
	Most preferred	1	1	15	21	13	51
	% of 5a	2.0%	2.0%	29.4%	41.2%	25.5%	100%
	% of 5b	50.0%	16.7%	25.4%	23.6%	52.0%	28.2%
	% of Total	0.6%	.6%	8.3%	11.6%	7.2%	28.2%
	Total	6	59	89	25	181	6
	% of 5a	3.3%	32.6%	49.2%	13.8%	100%	3.3%
	% of 5b	100%	100%	100.0%	100.0%	100%	100%
	% of Total	3.3%	32.6%	49.2%	13.8%	100%	3.3%

Table 4 demonstrates the contingency table which displays the frequency distribution of the two variables ‘Preference to work in a SME’ and ‘Preference to work in an IT company’.

As the data collected from Q5a and Q5b are ordinal, it is appropriate to use *Spearman's rho correlation* to examine the correlation coefficient between the two variables. Calculating from the cross-tabs provides the *correlation coefficient* value of 0.089 and *p-value* of 0.235. The calculated *p-value* is much higher than 0.05, which indicate that the null hypothesis, in which two variables are independent of each other, must be accepted. Thus, the results of Q5a and Q5b show that there is still no correlation between the students' preference of 'working in a SME' and 'working for SMEs'.

H₅: Students prefer to work for companies with more than 50 employees

Reflecting the conditions of Finnish business environment, where 24.5% of the Finnish workforce work for micro-sized companies (less than 10 employees) and 20.5% work for small-sized companies (less than 50 employees). The rest of the workforce are employed by either medium-sized (16.7% of the workforce) or large (38.3% of the workforce) companies. Thus, in prior to this research, it is expected that the majority of the respondents would prefer working for companies with more than 50 employees. However, the results of the study show otherwise. Up to 63% (49.2% preferred and 13.8% most preferred) choose companies with less than 50 employees for their career orientation. **This indicates that size of the company is not a matter for the students and can be concluded that H₅ is rejected as within the sample research, it seems that the majority of the respondents prefer to work for companies with less than 50 employees.**

7 DISCUSSION OF EMPIRICAL FINDINGS

Aiming at exploring the role of Employer Brand in SMEs from the perspective of students and, the construct of the research encompasses literature review, research questions, hypotheses and survey questions. While the theories are utilised to reflect the observations, hypotheses and survey questions play a vital role in answering the research questions. The success of this research is achieved when the answers of all four following research questions are addressed:

- **RQ₁:** What is the impact of Employer Branding on students' decision to work for a SME?
- **RQ₂:** What attract the graduating students when they look for a job?
- **RQ₃:** From which source do the students build their employer brand perception?
- **RQ₄:** What is the career orientation of the student after graduating?

This chapter discusses the empirical findings presented in chapter 6 to answer the four research questions. The discussions in this chapter correspond with four parts of data analysis demonstrated in chapter 6.

7.1 Research Question 1: What is the impact of Employer Branding on students' decision to work for a SME?

The results of Q6 and Q7 shown in chapter 6.4 clearly show that most of the respondents strongly believe that SMEs have employer brand and the employer brand of SMEs would significantly affect the decision of the students to consider the SME as a prospective employer. Furthermore, the results also show that those who think that SMEs have employer brand and those who think employer brand of SMEs would attract them have a closely related opinion.

Hypothesis H₁ has given the answer for RQ₁. Regarding the impact of Employer Branding on students' decision to work for a SME, Employer Brand has shown to have positive impact on the decisions of students to apply for a job in SMEs. This strongly convinces that exercising employer branding would help SMEs win the people of their choice over other SMEs. However, the answer or RQ₁ is only limited to the extent that Employer Branding might be helpful for SMEs to attract

their interested people, the examination of in which way could Employer Branding takes effects is yet to be discussed.

7.2 Research Question 2: What attract the graduating students when they look for a job?

According to the data presented more than half the respondents are not acquainted with the concept of Employer Branding. This spells out that among the students, those who do not know the existence of what is called 'Employer Brand' is still the majority. This imposes a threat for companies intending to launch their employer branding campaign towards the students that the students might not get the message the SMEs try to send out and they might perceive the message in a different way. However, this unpaved path could be seen as an opportunity since those SMEs who first proceed would have a higher probability to dominate the late comers.

Reflecting from the theoretical framework, employer brand is categorised into instrumental and symbolic values. On the side of instrumental values of employer brand, career opportunity and competitive financial benefits are obviously seen as the most attractive attributes that a student consider when he or she looks for a job after graduating. However, financial benefits are a challenging point for a SME to compete with other SMEs or large companies to attract graduating students, due to limited of fund for HR and branding activities. Notwithstanding, opportunities for career advancement are what SMEs could offer their employees as a selling point. Unlike large companies with sophisticated and highly-structured system, SMEs are more relaxing and it should take shorter time for promotion. With more than 70% of the respondents ranking this attribute as their top priority (ranked as 'important' and 'very important'), this is surely an aspect for SMEs to put efforts in to gain student's attention and eventually their skills. Another perspective that should be considered as an intriguing possibility to attract graduating students is the 'empowerment to work independently'. Considering the conditions of SMEs, which are allegedly known to be flexible, offering employees the power to work on themselves is not necessarily seen as troublesome but rather an effective strategy that helps the employer gain its positive image. Moreover, there is an indication in the data collected from Q2 that most of the respondents (93.9%) think that size of company does not really matter. Furthermore, 73.9% of the respondents also think that size of the city where the workplace is located is not important either. These two elements can be viewed as opportunities for SMEs to compete for human resources with large companies.

In terms of symbolic values of employer brand, 'Sincerity', 'Competence' and 'Excitement' are ranked among the top with no significant difference between its mean. 'Sincerity' refers to a workplace that is open, friendly and sincere where honesty is emphasized. 'Competence' indicates a workplace where competencies are valued and rewarded. 'Excitement' specifies a workplace where innovative and creative thinking are encouraged and valued. Those are the three symbolic fields that students pay special attention to.

The answer to RQ₂ is discovered by testing H₂ and H₃, H₂ and H₃ imply that the instrumental and symbolic attributes play an important role on Employer Branding and they shape the perceptions of students towards Employer Branding. The answer could be considered as a guideline for IT SMEs on which attributes they could focus spending efforts on in case they decide to exercise Employer Branding. However, as presented in chapter 6.2, both hypotheses H₂ and H₃ are rejected. This means that neither instrumental nor symbolic attributes have influence on how students shape perceptions towards Employer Brand of a IT SME and make them consider that SME as a prospective employer.

Although being supported by the research of Lievens and Highhouse (2003), which proves that symbolic attributes hold stronger influence than instrumental attributes, hypothesis H₄ could not be tested in this research due to the rejection of H₂ and H₃.

However, the validity of the two hypotheses H₂ and H₃ are suspicious. The reason behind the suspect is the limitation of respondents as well as their knowledge of Employer Branding, since most of the respondents are first or second year students. Further analysis on limitation is discussed on chapter 8.1.

7.3 Research Question 3: From which source do the students build their employer brand perception?

Regarding the sources of employer branding, the data presented give an idea through which channel should employer branding be directed in order to reach the most attendants that SMEs might be interested in. Positioning on the top is the attribute 'use product or service of the company'. This indicates that directly using the product or service of a company has a strong effect on how an individual shape the brand of that company. There are 86.7% of the respondents agree or strongly agree with this attribute. This line of opinion suggests that if SMEs provide potential

candidates with the product or service, it is likely that it would positively affect the perception of the user towards employer brand. Besides, ‘interact with the company (via previous job application or inquiry)’ is another aspect that helps students shape their employer brand perception. This opens up a lot of fields where SMEs could build or improve its employer brand such as a user-friendly or vivid platform on the website for candidates to apply for job or inquire information. Furthermore, training employees to directly communicate with the outside such as applicants or those who acquire information could be an effective way of building Employer Brand.

The results from Q4 partially support that direct interaction with the employer is one of the strongest source of brand perception. ‘Using the product or service of the company’ is agreed by the majority, which is 86.7%. Considering applying this practice of Employer Branding in the context of IT SMEs in Finland, the number of products and services of those IT SMEs using by graduating students and the number of students using products and services of those IT SMEs are very limited. Thus, direct interaction can be accepted in this context as the strongest source of Employer Brand for IT SMEs.

7.4 Research Question 4: What is the career orientation of the student after graduating?

The results obtained from student’s preference towards their career orientation suggest that between working for a company and starting up an own company, most of the students preferred working for a company. Reflecting this tendency, 66.3% of the respondents (38.1% preferred and 28.2% most preferred) are affiliated with the ‘work for a company in IT industry’ option. Likewise, 63% of the respondents (49.2% preferred and 13.8% most preferred) are on the side of ‘work for a SME’. On the contrary, only 30.9% think that starting up a company is their choice (23.2% preferred and 7.7% most preferred). This is seen as an advantage for SMEs that right after graduating, most of the students tend to jump directly to the job market. However, this, as well, is a challenge that it brings up the questions on how to attract and recruit the right ones once there are many of the graduates.

Moreover, another challenge for IT SMEs in practising its Employer Branding strategy is that although the majority of students choose to work for a SMEs and the majority also choose to work in IT industry, it should be noted that there is no relationship between this two fields. This translates that IT SMEs might not be a preference for students and it requires attention from IT

SMEs to attract the right people. Meanwhile, it is considered as an opportunity when students already prefer to choose either working for a SME or working in IT industry.

8 CONCLUSION

8.1 Outcome of the Study

As a recap, the main objective of the research is to study the role of Employer Branding in IT SMEs in Finland. The process of attaining the research objective involves answering four research questions. Theoretical framework of the research was built by using the theories of Marketing, Human Resource Management, Strategic Human Resource Management, Resource-Based View and finally Employer Branding. From the foundation of Employer Branding and related topics, research questions have been framed to shape the outline of the research in which several hypotheses were initiated and the questionnaire was conducted to collect appropriate data to test the hypotheses. Eventually, the answers of research questions have been delivered both directly and via testing hypotheses. In addition, Business Environment in Finland is the object of researching.

Quantitative research in the form of a close-ended questionnaire has been chosen for this research as it allows the usage of further statistical methods to analyse numeric data and generalise the result up to a larger scale, which is IT SMEs in Finland.

The outcome of the research is intriguing when it suggests that Employer Branding has positive influence on students' decision to apply for a job at a SME. Thus, the practising of Employer Branding of IT SMEs would seemingly attract the graduating students. However, although mentioning that Employer Branding is useful and several instrumental and symbolic values of Employer Brand appear to gain preferences of the students, both types of instrumental and symbolic values might not have direct impact on perceptions of students towards the Employer Brand. Notwithstanding, larger scale of researches regarding more students in third or fourth year are suggested to conduct as they could help study deeper on the correlation between two types of Employer Brand's value and perceptions of prospective employees towards the Employer Brand.

In addition, the research specifies that using the product or service and having direct interaction with the company are the strongest sources that students build their employer brand perception. Moreover, regarding career orientation after graduating, working for IT SMEs are yet to be a preferable choice for most of the respondents.

8.2 Limitations of the Research and Suggestions for Future Research

The major limitation of the research is most of the researched students are first year or second year students, which account for 95% of the respondents. The first and second year students are those who just enter school or recently choose their major and start to shape their mind about the real working environment. As a result, it was challenging to generalise the opinions of all the students in general the third and fourth year students were challenging to reach in a large scale.

Another barrier to the research is that information regarding business environment in Finland presented in English language was limited or usually obsolete. It then became a difficulty to approach up-to-date information for the topic researched.

It would be interesting if further research could examine Employer Branding from another perspective which is from the side of IT SMEs. The empirical findings from this research could be used as preliminary data for that research that view from the side of SMEs. Furthermore, examining the opinion of senior students or student from other parts of Finland is another suggestion for future research. The results would be interesting as they help understand the viewpoint of business and IT students towards Employer Branding in SMEs in general.

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LIST OF APPENDICES

Appendix 1. Questionnaire survey (English version)

Appendix 2. Questionnaire survey (Finnish version)

Appendix 3. Contents generated from SPSS

Appendix 4. Glossary

Appendix 1. Questionnaire survey (English version)

TITLE: The effect of Employer Branding to attract graduating job applicants to small medium size companies in Finland

‘Employer Brand’ is the perception of a company as a great place to work in the eyes of current and potential employees. ‘Employer branding’ is the process of building employer brand; it includes every activity of the company that makes current and potential employees think that this company is a great place to work. (McLeod, 2013, Sluis, 2009)

Bachelor Degree:

Student group and Major:

1. Do you know the meaning of “Employer Branding” before this survey?

Yes (1)

No (0)

2. Among the following attributes, how important are they to you when you look for a job?	1 = Unimportant	2 = Of little importance	3 = Moderately important	4 = Important	5 = Very important
a. Offers competitive financial benefits (e.g. salary, commission, monetary rewards, stock option)					
b. Offers competitive NON -financial benefits (e.g. gym, insurance, medical care)					
c. Offers opportunities to work abroad					
d. Offers opportunities for career advancement					
e. A workplace that is located in big city					
f. A workplace that has more than 50 employees					
g. Empowers to work independently					

3. Among the following characteristics of a company, how important are they to you when you look for a job?	1 = Unimportant	2 = Of little importance	3 = Moderately important	4 = Important	5 = Very important
a. A workplace that is open, friendly and sincere where honesty is emphasized					
b. A workplace where my innovative and creative thinking are encouraged and valued					
c. A workplace where my competencies are valued and rewarded					
d. A workplace where the values of being trendy, classy or having charming style are appreciated					
e. A work place which is dynamic, performance-driven and result-oriented					
f. A workplace that values international diversity					

4. I build my brand perception through the following exposure.	1 = Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5 = Strongly Agree
a. See the brand of the company or its products, services from advertisements					
b. See events sponsored by the company					
c. Participate in an event organised by the company					
d. Have friends or relatives working for the company					
e. Use the product or service of the company					
f. Interact with the company (via previous job application or inquiry)					
g. Receive scholarship from the company					
h. Have worked for the company that has more than 50 employees					

5. What is your career orientation after graduating?	1 = Least preferred	2 = Less preferred	3 = Neutral	4 = Preferred	5 = Most preferred
a. Work for a company (either technical or business role) in IT industry					
b. Work for a Small or Medium Sized company (SMEs) with 50 employees or less					
c. Start up a company of my own					

6. Do you think a small or medium sized company (SME) have an employer brand?

Yes (1).....

No (0).....

7. Will the employer brand of a small or medium sized company (SME) attract you to consider it as a prospective employer?

Yes (1).....

No (0).....

8. If the employer brand of a small or medium sized company does not attract you, how do you think they can attract you to apply for a job?

.....

.....

IMPORTANT: You can participate in the lucky draw provided you have answered questions 1 to 8. There are two lunch vouchers in Kisali restaurant for two lucky participants.

Email address: _____ (optional, only if you wish to participate in the lucky draw)

Appendix 2. Questionnaire survey (Finnish version)

Kyselylomake tutkimus

OTSIKKO: Työnantajan brändin vaikutus valmistuvien työnhakijoiden houkuttelemisessa pieniin ja keskisuuriin yrityksiin Suomessa

”Työnantajan brändi” on nykyisten ja potentiaalisten työntekijöiden käsitys yrityksestä työpaikkana. ”Työnantajan brändäys” on menetelmä työnantajan brändin luomiseksi; siihen sisältyy yrityksen kaikki tekemät asiat, jotka saavat nykyiset ja potentiaaliset työntekijät pitämään sitä hyvänä työpaikkana. (McLeod, 2013, Sluis, 2009)

Koulutusala:

Ryhmätunnus ja pääaine:

1. Tiesitkö ”Työnantajan Brändäyksen” merkityksen ennen tätä kyselyä?

Kyllä.....

Ei

2. Seuraavat ominaisuudet, miten tärkeitä ne ovat sinulle etsiessäsi töitä?	1 = Ei ol- lenkaan tärkeä	2 = Hieman tärkeä	3 = Kohtuul- lisen tärkeä	4 = Tärkeä	5 = Todella tärkeä
Tarjoaa kilpailukykyisiä taloudellisia etuja (esim. palkka, palkkiot, rahalliset palkinnot, osake optio)					
Tarjoaa kilpailukykyisiä EI-rahallisia etuja (esim. kuntosali, vakuutus, terveyshuolto)					
Tarjoaa mahdollisuuksia työskennellä ulkomailla					
Tarjoaa mahdollisuuksia uralla etenemiseen					
Työpaikka on isossa kaupungissa					
Työpaikalla on yli 50 työntekijää					
Antaa mahdollisuuden itsenäiseen työhön					

3. Seuraavat yrityksen piirteistä, miten tärkeitä ne ovat sinulle etsiessäsi töitä?	1 = Ei ol- lenkaan tärkeä	2 = Hieman tärkeä	3 = Kohtuul- lisen tärkeä	4 = Tärkeä	5 = Todella tärkeä
Työpaikka, joka on avoin, ystävällinen, vilpitön ja korostaa rehellisyyttä					
Työpaikka, jossa arvostetaan ja rohkaistaan innovatiivista ja luovaa ajattelua					
Työpaikka, jossa pätevyyttäni arvostetaan ja palkitaan					
Työpaikka, jossa arvostetaan trendikkyyttä, hienostuneisuutta ja tyylikkyyttä					
Työpaikka, joka on dynaaminen, suoritus- ja tulokeskeinen					
Työpaikka, jossa arvostetaan kansainvälistä monikulttuurisuutta					

4. Rakennan brändikäsitykseni seuraavien asioiden avulla.	1 = Vahvasti erimieltä	2 = Erimieltä	3 = Neutraali	4 = Samaa mieltä	5 = Vahvasti sa- maa mieltä
Yrityksen brändin tai sen tuotteiden, palveluiden näkeminen mai- nonnassa					
Yrityksen sponsoroimien tapahtumien avulla					
Ottamalla osaa yrityksen järjestämiin tapahtumiin					
Ystävät tai sukulaiset työskentelevät yritykselle					
Yrityksen tuotteiden tai palveluiden käyttäminen					
Vuorovaikutuksesta yrityksen kanssa (kuten aikaisempi työhake- mus tai kysely)					
Yrityksen tarjoamat stipendit					
Olen työskennellyt yritykselle, jolla on yli 50 työntekijää					

5. Mikä on urasuuntautumisesi valmistumisen jälkeen?	1 = Vähiten haluttu	2 = Vähemmän haluttu	3 = Neutraali	4 = Haluttu	5 = Eniten haluttu
Työskennellä IT-alan yrityksessä (joko teknillisessä tai liiketalou- dellisessa roolissa)					
Työskennellä pienelle tai keskisuurelle yritykselle (PK-yritys), jolla 50 työntekijää tai vähemmän					
Perustaa oman yrityksen					

6. Onko mielestäsi pienellä tai keskisuurella yrityksellä (PK-yritys) työnantajan brändi?

Kyllä.....

Ei

7. Saako pienen tai keskisuuren yrityksen (PK-yritys) työnantajan brändi sinut kiinnostumaan siitä mahdollisena työnantajana?

Kyllä.....

Ei

8. Jos pienen tai keskisuuren yrityksen työnantajan brändi ei houkuttele sinua, miten he voisivat mielestäsi saada sinut kiinnostumaan hake-
maan heille töihin?

.....
.....

TÄRKEÄÄ: Jos olet vastannut kaikkiin kysymyksiin on sinulla mahdollisuus osallistua arvontaan. Kaksi onnekasta osallistujaa
voittavat etusetelin Kisälli-ravintolaan.

E-mail osoite: _____ (vapaehtoinen, täytetään ainoastaan jos haluat

Appendix 3. Contents generated from SPSS

Question 1: Frequency table

1. Do the students know the meaning of "Employer Branding" before this survey?

		Frequency	Valid Percent
Valid	No	101	57,4
	Yes	75	42,6
	Total	176	100,0
Missing	System	5	
Total		181	

Question 2: Descriptive statistics and frequency tables

Descriptive Statistics

	N	Mean
2a. How important are competitive financial benefits when the students look for a job?	181	3,66
2b. How important are competitive non-financial benefits when the students look for a job?	181	2,91
2c. How important are opportunities to work abroad when the students look for a job?	181	2,15
2d. How important are opportunities for career advancement when the students look for a job?	181	3,92
2e. How important is a workplace located in big city when the students look for a job?	180	2,02
2f. How important is a workplace that has more than 50 employees when the students look for a job?	181	1,31
Valid N (listwise)	180	

2a. How important are competitive financial benefits when the students look for a job?

	Frequency	Valid Percent
Valid Unimportant	2	1,1
Of little importance	20	11,0
Moderately important	44	24,3
Important	87	48,1
Very important	28	15,5
Total	181	100,0

2b. How important are competitive non-financial benefits when the students look for a job?

	Frequency	Valid Percent
Valid Unimportant	10	5,5
Of little importance	61	33,7
Moderately important	59	32,6
Important	38	21,0
Very important	13	7,2
Total	181	100,0

2c. How important are opportunities to work abroad when the students look for a job?

	Frequency	Valid Percent
Valid Unimportant	57	31,5
Of little importance	66	36,5
Moderately important	38	21,0
Important	14	7,7
Very important	6	3,3
Total	181	100,0

2d. How important are opportunities for career advancement when the students look for a job?

	Frequency	Valid Percent
Valid Unimportant	2	1,1
Of little importance	10	5,5
Moderately important	42	23,2
Important	74	40,9
Very important	53	29,3
Total	181	100,0

2e. How important is a workplace located in big city when the students look for a job?

		Frequency	Valid Percent
Valid	Unimportant	61	33,9
	Of little importance	72	40,0
	Moderately important	34	18,9
	Important	9	5,0
	Very important	4	2,2
	Total	180	100,0
Missing	System	1	
Total		181	

2f. How important is a workplace that has more than 50 employees when the students look for a job?

		Frequency	Valid Percent
Valid	Unimportant	139	76,8
	Of little importance	31	17,1
	Moderately important	9	5,0
	Important	1	,6
	Very important	1	,6
	Total	181	100,0

2g. How important is the empowerment to work independently when the students look for a job?

		Frequency	Valid Percent
Valid	Unimportant	6	3,4
	Of little importance	39	21,8
	Moderately important	57	31,8
	Important	58	32,4
	Very important	19	10,6
	Total	179	100,0
Missing	System	2	
Total		181	

Question 3: Descriptive statistics and frequency tables

Descriptive Statistics

	N	Mean
3a. How important is a workplace that is open, friendly and sincere where honesty is emphasized when the students look for a job?	181	4,28
3b. How important is a workplace where innovative and creative thinking are encouraged and valued when the students look for a job?	181	3,91
3c. How important is a workplace where competencies are valued and rewarded when the students look for a job?	181	4,08
3d. How important is a workplace where the values of being trendy, classy or having charming style are appreciated when the students look for a job?	181	1,93
3e. How important is a workplace that is dynamic, performance-driven and result-oriented when the students look for a job?	181	2,55
3f. How important is a workplace that values international diversity when the students look for a job?	181	2,93
Valid N (listwise)	181	

3a. How important is a workplace that is open, friendly and sincere where honesty is emphasized when the students look for a job?

	Frequency	Valid Percent
Valid Of little importance	4	2,2
Moderately important	18	9,9
Important	82	45,3
Very important	77	42,5
Total	181	100,0

3b. How important is a workplace where innovative and creative thinking are encouraged and valued when the students look for a job?

	Frequency	Valid Percent
Valid Of little importance	13	7,2
Moderately important	45	24,9
Important	69	38,1
Very important	54	29,8
Total	181	100,0

3c. How important is a workplace where competencies are valued and rewarded when the students look for a job?

	Frequency	Valid Percent
Valid Of little importance	7	3,9
Moderately important	26	14,4
Important	94	51,9
Very important	54	29,8
Total	181	100,0

3d. How important is a workplace where the values of being trendy, classy or having charming style are appreciated when the students look for a job?

	Frequency	Valid Percent
Valid Unimportant	66	36,5
Of little importance	75	41,4
Moderately important	29	16,0
Important	9	5,0
Very important	2	1,1
Total	181	100,0

3e. How important is a workplace that is dynamic, performance-driven and result-oriented when the students look for a job?

	Frequency	Valid Percent
Valid Unimportant	22	12,2
Of little importance	68	37,6
Moderately important	65	35,9
Important	22	12,2
Very important	4	2,2
Total	181	100,0

3f. How important is a workplace that values international diversity when the students look for a job?

		Frequency	Valid Percent
Valid	Unimportant	18	9,9
	Of little importance	47	26,0
	Moderately important	65	35,9
	Important	32	17,7
	Very important	19	10,5
Total		181	100,0

Question 4: Descriptive statistics and frequency tables

Descriptive Statistics

	N	Mean
4a. The brand perception is built through seeing the brand of the company or its products, services from advertisements	181	3,61
4b. The brand perception is built through seeing events sponsored by the company	181	3,32
4c. The brand perception is built through participating in an event organised by the company	181	3,07
4d. The brand perception is built through having friends or relatives working for the company	180	3,41
4e. The brand perception is built through using the products or services of the company	181	4,24
4f. The brand perception is built through interacting with the company (via previous job application)	180	3,78
4g. The brand perception is built through receiving scholarship from the company	181	2,81
4h. The brand perception is built through having worked for the company that has more than 50 employees	180	2,90
Valid N (listwise)	178	

4a. The brand perception is built through seeing the brand of the company or its products, services from advertisements

	Frequency	Valid Percent
Valid Strongly disagree	2	1,1
Disagree	15	8,3
Neutral	60	33,1
Agree	79	43,6
Strongly agree	25	13,8
Total	181	100,0

4b. The brand perception is built through seeing events sponsored by the company

	Frequency	Valid Percent
Valid Strongly disagree	6	3,3
Disagree	26	14,4
Neutral	65	35,9
Agree	72	39,8
Strongly agree	12	6,6
Total	181	100,0

4c. The brand perception is built through participating in an event organised by the company

	Frequency	Valid Percent
Valid Strongly disagree	8	4,4
Disagree	34	18,8
Neutral	82	45,3
Agree	51	28,2
Strongly agree	6	3,3
Total	181	100,0

4d. The brand perception is built through having friends or relatives working for the company

	Frequency	Valid Percent
Valid Strongly disagree	5	2,8
Disagree	22	12,2
Neutral	67	37,2
Agree	67	37,2
Strongly agree	19	10,6
Total	180	100,0
Missing System	1	
Total	181	

4e. The brand perception is built through using the products or services of the company

	Frequency	Valid Percent
Valid Disagree	1	,6
Neutral	23	12,7
Agree	88	48,6
Strongly agree	69	38,1
Total	181	100,0

4f. The brand perception is built through interacting with the company (via previous job application)

		Frequency	Valid Percent
Valid	Strongly disagree	1	,6
	Disagree	10	5,6
	Neutral	51	28,3
	Agree	84	46,7
	Strongly agree	34	18,9
	Total	180	100,0
Missing	System	1	
Total		181	

4g. The brand perception is built through receiving scholarship from the company

		Frequency	Valid Percent
Valid	Strongly disagree	16	8,8
	Disagree	35	19,3
	Neutral	100	55,2
	Agree	27	14,9
	Strongly agree	3	1,7
	Total	181	100,0

4h. The brand perception is built through having worked for the company that has more than 50 employees

		Frequency	Valid Percent
Valid	Strongly disagree	50	27,8
	Disagree	24	13,3
	Neutral	42	23,3
	Agree	22	12,2
	Strongly agree	42	23,3
	Total	180	100,0
Missing	System	1	
Total		181	

Question 5: Descriptive statistics, frequency table and nonparametric correlations

Descriptive Statistics

	N	Mean
5a. After graduating, the students tend to work for a company (either technical or business role) in IT industry	181	3,83
5b. After graduating, the students tend to work for a SME with 50 employees or less	181	3,71
5c. After graduating, the students tend to start up their own company	181	2,69
Valid N (listwise)	181	

5a. After graduating, the students tend to work for a company (either technical or business role) in IT industry

	Frequency	Valid Percent
Valid Least preferred	4	2,2
Less preferred	13	7,2
Neutral	44	24,3
Preferred	69	38,1
Most preferred	51	28,2
Total	181	100,0

5b. After graduating, the students tend to work for a SME with 50 employees or less

	Frequency	Valid Percent
Valid Least preferred	2	1,1
Less preferred	6	3,3
Neutral	59	32,6
Preferred	89	49,2
Most preferred	25	13,8
Total	181	100,0

5c. After graduating, the students tend to start up their own company

		Frequency	Valid Percent
Valid	Least preferred	44	24,3
	Less preferred	38	21,0
	Neutral	43	23,8
	Preferred	42	23,2
	Most preferred	14	7,7
	Total	181	100,0

Correlations

			5a. After graduating, the students tend to work for a company (either technical or business role) in IT industry	5b. After graduating, the students tend to work for a SME with 50 employees or less
Spearman's rho	5a. After graduating, the students tend to work for a company (either technical or business role) in IT industry	Correlation Coefficient	1,000	,089
		Sig. (2-tailed)	.	,235
		N	181	181
	5b. After graduating, the students tend to work for a SME with 50 employees or less	Correlation Coefficient	,089	1,000
		Sig. (2-tailed)	,235	.
		N	181	181

Question 6 and 7: Frequency table and Chi-Square Tests

6. Do the students think that a SME has an employer brand?

		Frequency	Valid Percent
Valid	No	13	7,3
	Yes	165	92,7
	Total	178	100,0
Missing	System	3	
Total		181	

7. Will the employer brand of a SME attract the students to consider it as a prospective employer?

		Frequency	Valid Percent
Valid	No	15	8,4
	Yes	163	91,6
	Total	178	100,0
Missing	System	3	
Total		181	

Chi-Square Tests^d

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	16,138 ^a	1	,000	,002	,002	
Continuity Correction ^b	12,258	1	,000			
Likelihood Ratio	10,037	1	,002	,002	,002	
Fisher's Exact Test				,002	,002	
Linear-by-Linear Association	16,046 ^c	1	,000	,002	,002	,002
N of Valid Cases	176					

a. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 1,11.

b. Computed only for a 2x2 table

c. The standardized statistic is 4,006.

d. For 2x2 cross tabulation, exact results are provided instead of Monte Carlo results.

Symmetric Measures

		Value	Asymp. Std. Er- ror ^b	Approx. T ^c	Approx. Sig.	Monte Carlo Sig.		
						Sig.	99% Confidence Interval	
							Lower Bound	Upper Bound
Nominal by Nominal	Contingency Coefficient	,290			,000	,002 ^a	,001	,003
Interval by Interval	Pearson's R	,303	,122	4,191	,000 ^d	,002 ^a	,001	,003
Ordinal by Ordinal	Spearman Correlation	,303	,122	4,191	,000 ^d	,002 ^a	,001	,003
N of Valid Cases		176						

a. Based on 10000 sampled tables with starting seed 112562564.

b. Not assuming the null hypothesis.

c. Using the asymptotic standard error assuming the null hypothesis.

d. Based on normal approximation.

Mann-Whitney Test

Ranks

7. Will the employer brand of a SME attract the students to consider it as a prospective employer?		N	Mean Rank	Sum of Ranks
Instrumental attributes	No	15	74,80	1122,00
	Yes	160	89,24	14278,00
	Total	175		
Symbolic attributes	No	15	88,40	1326,00
	Yes	163	89,60	14605,00
	Total	178		

Test Statistics^a

	Instrumental attributes	Symbolic attributes
Mann-Whitney U	1002,000	1206,000
Wilcoxon W	1122,000	1326,000
Z	-1,060	-,087
Asymp. Sig. (2-tailed)	,289	,931

a. Grouping Variable: 7. Will the employer brand of a SME attract the students to consider it as a prospective employer?

Appendix 4. Glossary

Table 5. Common terms and definitions in Employer Branding (Christiaans 2013)

Term	Definition	Context/Relations
Employer brand	Package of functional, economic and psychological benefits provided by employment, and identified with the employing company (Ambler & Barrow, 1996)	Final outcome of all brand-related activities
Employer branding	All decisions concerning the planning, creation, management and controlling of employer brands and the corresponding activities to positively influence the employer preferences of the desired target groups (Petkovic, 2009); Process of placing an image of being a great place to work in the mind of the targeted candidate pool (Branham, 2000)	Process to reach the desired outcome of being an attractive employer
Employer brand equity	Set of employment brand assets and liabilities linked to an employment brand, its name and symbol that add to (or subtract from) the value provided by an organization to that organization's employees (Ewing, Pitt, de Bussy & Berthon, 2002)	Influences the likelihood that a given employer will be chosen over a competitor due to its unique, favorable employer image that is conveyed through the employer brand; brand equity generates positive affect towards the branded organization
Employer image	Potential applicants' attitudes and perceived attributes about the job or organization (Collins & Stevens, 2002)	Associations towards the employing company that are conveyed through its employer brand, which can be further specified by means of instrumental and symbolic image facets/ attributes; unlike attractiveness attributes, image facets do not necessarily have to reflect favorable associations
Employer attractiveness	Envisioned benefits that a potential employee sees in working for a specific organization (Berthon, Ewing & Hah, 2005)	Antecedent of employer brand equity; influenced by employer image; the envisioned benefits can be conceptualized, just as employer image attributes, through instrumental and symbolic features, which have to convey favorable associations in order to contribute to attractiveness
Employer value proposition	Application of a customer value proposition – why should you buy my product or service – to the individual – why should a highly talented person work in my organization? It differs from one organization to another, has to be as distinctive as a fingerprint, and is tailored to the specific type of people the organization is trying to attract and retain (Sparrow & Cooper, 2003)	Aims at inducing positive brand associations and hence a favorable employer image; encompasses the most important employment benefits (instrumental attributes) as well as key organizational values (symbolic attributes), which reflect the organization's identity